

Weekend

# FINANCIAL TIMES

Weekend FT

'Freedom fighter' turns relic

SECTION II

World Business Newspaper

## Brussels questions German bank loans for shipbuilder

The European Commission has questioned the use by Germany's biggest shipbuilder, Bremer Vulkan, of government-backed bank loans. Shares in Bremer Vulkan were suspended from trading shortly before the Commission's announcement. The company's management said it would make a special announcement next week, and shares fell 70 pfennigs to DM28.50 (\$19.50). Page 22

**Arrests follow IRA bombing:** British police arrested several people in their search for Irish Republican Army bombers responsible for last Friday's blast in east London, which killed two people. Police offered a £1m (\$1.54m) reward for information on the bombers. Page 4

**US industrial production drops:** US industrial production last month registered its largest fall since the 1990-91 recession, partly due to severe winter weather, the Federal Reserve said. Economists said the figures were weak enough to justify another quarter-point cut in short-term interest rates next month. Page 22

**Russian deputy targets inflation:** Russia's new first deputy prime minister Vladimir Kadashnikov said lower inflation and resisting pressure to print money were priorities ahead of forthcoming presidential elections. Page 2

**London stocks hit by Wall Street fall:**

The US stock market fell sharply triggering official trading, and adding to a volatile day on world financial markets. The Dow Jones Industrial Average dropped more than 50 points in the first hour of trading, before recovering to be 33.50 points lower by 1.30pm New York time. In London, the FT-SE 100 index jumped in early trading to reach an all-time intraday high of 3,791.6 before falling back to close 2.9 points lower at 3,770.9. Over the week the FT-SE 100 index rose 54.6 points. Wall Street nervous in the bell ring. Page 9; World stocks, Page 17; London stocks, Page 19; Markets, Weekend Page 32.

**Azeri oil deal signed:** An agreement to ship 5m tonnes of Azeri oil a year through the Russian pipeline system was signed by officials from Transneft, the Russian oil pipeline monopoly, and the company representing a foreign consortium planning to spend \$5bn developing offshore fields in the Caspian Sea. Page 2

**US plan to break aviation deadlock:** A proposal to allow foreign airlines to own up to 49 per cent of US carriers, aimed at breaking the deadlock in UK-US aviation relations, will be introduced by US Senate transport committee chairman, Senator Larry Pressler. Page 3

**8 American boost for Telefónica:** Expansion in Latin America helped to lift net income at Spanish telecoms group, Telefónica, to Pta138bn (\$1.1bn) last year. Page 5

**Hong Kong emigration to rise:** The flow of emigrants from Hong Kong is set to rise this year to between 90,000 and 100,000, compared with about 60,000 in 1985 and 55,000 in 1994, as the date for the return to Chinese sovereignty nears. Page 3

**Volvo, the Swedish vehicle manufacturer, is cutting its truck production capacity in Europe by almost 20 per cent because of weakening demand in a move likely to affect 1,000 jobs in Belgium, Scotland and Sweden. Page 5**

**Win in Bangladesh election:** Bangladeshi prime minister Khaleda Zia swept to an unchallenged victory in an election tainted by widespread violence and reported election fraud. Page 3

**Building demolition kills 14:** Fourteen people were killed and 10 injured when demolition workers brought down a central Beirut building with a family of squatters still inside.

**Rand stamps to all-time low:** The South African rand hit an all-time low against the US dollar as speculators bailed out, fearing an easing of foreign exchange controls which could trigger a flight of capital from the country. Page 3

**Companies in this issue:**

Barclays 6 Lloyds Chemists 6

Bass 5 Lloyds TSB 5

Burnham Castrol 5 MGM/UJA 5

Church (Charles) 6 Mark One 6

Compagnie Fin Quality Software 6

Crichton's Nat Reclass 6

Credit Lyonnaise 5 Royal Bk of Scotland 5

Dunedin Fund 5 Scania 5

Edinburgh Fund 6 Schroders 6

Ernst & Young 6 Scottish Value Edin 6

Excalibur 5 Telefonica, 6

Gates 6 Thorn EMI 6

Hellenic Bank 6 Trade Indemnity 6

Hewlett-Packard 5 UniChem 6

Ind Insurance 6 Volvo 6

Kingspan 6 Wainhomes 6

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WEEKEND FEBRUARY 17/FEBRUARY 18 1996

## Scalfaro clears way for April election

Italy's outgoing PM in caretaker role until poll

By John Simkins in Milan

Italy is to hold a general election on April 21, after President Oscar Luigi Scalfaro yesterday dissolved the country's 12th postwar parliament.

Mr Lamberto Dini, the outgoing prime minister, is to continue in a caretaker role until the elections. He completed an interim government earlier in the day by appointing new ministers to the vacant budget and justice portfolios.

The president has been reluctant to let the country go to the polls so soon after the March 1994 elections, which ushered in the one-year coalition administration led by Mr Silvio Berlusconi, head of Forza Italia.

Yesterday's ministerial appointments brought Mr Mario Arcelli, an economics professor who is rector of Luigi Guido Carli University at Rome, into the government as budget minister to succeed Mr Raineri Massera who resigned in December to return to the IMI banking group.

Some of the contenders will not relish an early poll, and had been exploring the possibility of an 18-month interim government to return constitutional reform.

Mr Berlusconi, who is being investigated for some of the activities of his Fininvest business empire, wanted time to resolve his judicial problems. Mr Massera d'Alema, the leader of the PDS party, the former communists, believed that the centre-left alliance risked losing.

Since January 13, Mr Antonio Maccanico, an experienced backstage political negotiator, has tried to form an interim government at the request of Mr Scalfaro. On Wednesday Mr Maccanico said he was unable to form an administration with broad support and yesterday the president signed the decree dissolving the legislature.

Leaders of the centre-right, grouped round the National Alliance of Mr Gianfranco Fini and Forza Italia, have called for members of the outgoing government to remain neutral and not present themselves as candidates at the elections. Mr Dini's name has been linked with the centre-left.

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## Summit aims to revive Bosnia peace process



US mediator Richard Holbrooke (centre) arrives escorted at Rome's Fiumicino airport on the eve of crisis talks with the presidents of Bosnia, Croatia and Serbia. The summit is intended to revive Bosnia's peace process. Bosnian 'terrorist camp' captured. Page 22

Picture: Reuters

## Takeover would create one of world's biggest services groups

### BET rejects Rentokil \$2.7bn offer

By Geoff Dyer and Tim Burt  
In London

Rentokil, the environmental and industrial services group, yesterday launched a £1.7bn (\$2.7bn) hostile bid for BET, the business services group. The move came after it abandoned plans to seek a recommended offer for the company.

The takeover would make Rentokil one of the world's largest services group, with more than 140,000 employees and activities ranging from pest control to textiles and security.

Rentokil told BET shareholders they had been let down by the management's "disappointing" profits record, particularly since Mr John Clark took over as chief executive in 1991. The offer was unveiled after the UK Takeover Panel told Rentokil to clarify its intentions after market speculation earlier in the week that it was about to launch a bid.

Rentokil's proposal was

rebuffed by BET, describing it as

"wholly inadequate"

and a "mindless

plan to create an unfocused

services conglomerate".

Mr Clark said: "Rentokil would

be nothing to the group and its offer fails to recognise the value of BET."

Rentokil, however, said it could

better exploit BET's brand names

and the group would benefit from

Rentokil's more focused manage-

ment.

Rentokil's move is strongly

supported by Sophs Berndsen,

the Danish holding company

which owns 52 per cent of Rent-

kil's shares. Its stake would be

diluted to as little as 36 per cent.

City analysts, most of whom

were initially sceptical about the industrial logic of the takeover, were told by Rentokil that BET's businesses offered significant scope for increased profits.

Advised by Lazard Brothers, it has also offered a cash alternative of 175p/share.

Analysts speculated that Rentokil might raise the offer to more than £2bn to ensure success, equivalent to 210p per share.

Mr Clark, chief executive of Rentokil, claimed the deal would be earnings enhancing in the first year and that almost 80 per cent of the two groups' businesses overlapped.

Mr Clark, however, said there was little common ground between the companies.

One analyst said last night: "This is a good month for Rentokil and we think it is high risk."

Rentokil, which yesterday announced a 21.2 per cent increase in full-year profits to

£214.5m, has offered nine new Rentokil shares and £8 in cash for every 20 BET shares.

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Under the terms of the offer, Mr Clark would make a pre-tax profit of £1.8m on his share options at the 180p-a-share value of the cash and shares offer.

Mr Clark, who was paid £1.1m last year, holds a further 105,000 ordinary shares.

BET, advised by Barings Brothers, saw its shares rise 11p to 185p/share, while Rentokil closed down 34p at 333p.

Determined to catch its prey. Page 6; Man in the News, Page 9; Lex, Page 22

## French trust British model in efforts to save chateaux

By Gillian Test in Paris

The French government is to act to protect many of the country's historic monuments - and has looked across the Channel to Britain's National Trust for guidance.

Spurred by concern over Japanese purchases of France's elegant but often crumbling castles and country houses, the cabinet has decided to set up a foundation to protect them, and create a 8,000-10,000 jobs.

The French move follows the acquisition by a Japanese property company of a string of attractive chateaux around Paris and the Loire in the late 1980s, which were then allowed to fall into disrepair.

The company's activities alarmed France's Ministry of Culture, which has 400,000 historic French monuments it wishes to protect.

Mr Philippe Douste-Blazy,

French culture minister, explains: "Some monuments are in the hands of owners unable to maintain them. Some of the jewels of our architecture, like the Louvre chateau, near Versailles, have been bought by a Japanese company [which is now bankrupt]."

The French culture ministry says that, like the National Trust, the proposed foundation will be a private body to collect money and "mobilise the citizens" for the defence of the heritage".

But unlike the National Trust - Britain's biggest charity which takes over the management of historic buildings and beauty spots and opens them to the public - the French body will have compulsory purchase powers and be substantially business backed. Public access may be less widespread.

The new foundation - which marks a break with France's long

tradition of leaving responsibility for its heritage in the hands of the state, or private owners such as its old aristocracy - will be empowered to make compulsory purchases of buildings in decline or offer subsidies to struggling private owners.

The scheme envisages that businesses will provide two-thirds of the capital, with the public providing the other third through membership fees. How far French companies will wish to take part remains unclear. The culture ministry says that it expects about a dozen to take part, providing some FF15m (£2.5m), and is offering tax breaks on donations.

Gaz de France, the state-owned gas company, has expressed a firm interest in the foundation, according to the ministry. Credit Local de France, the bank, says it will consider joining when the scheme is passed by parliament this spring.

## NEWS: EUROPE

## EUROPEAN NEWS DIGEST

**Berlusconi  
'knew of bribes'**

Mr Silvio Berlusconi must have known of bribes paid by his Fininvest business empire to financial police, a Milan court was told yesterday as the former Italian prime minister's trial for corruption resumed. Mr Gherardo Colombo, opening the prosecution's case, claimed that Mr Berlusconi authorised the illegal payments to the Guardia di Finanza.

The prosecution said Mr Berlusconi dealt not only with the group's strategy but with everything concerning it. Mr Colombo said there was evidence of close links between Fininvest and the financial police. He said 37 Guardia di Finanza members had belonged to the banned P2 freemasons' lodge, in which Mr Berlusconi had admitted involvement.

The charges relate to bribes totalling £380m (\$542,000) paid to members of the Guardia di Finanza to secure favourable inspections of the books of Fininvest companies.

There are 10 other defendants, including Mr Berlusconi's brother Paolo, four Fininvest executives and five Guardia di Finanza members.

Mr Paolo Berlusconi and Mr Salvatore Sciascia, the head of the tax department at Fininvest, have admitted making the payments but they claim that they were blackmailed into doing so. Mr Silvio Berlusconi denies any knowledge of the bribes.

*John Simkins, Milan*

**French banks attack La Poste**

French banks yesterday sharply criticised plans by La Poste to increase its financial services, telling the national postal system to stick to delivering mail.

The French Association of Banks, already fretting at what it claims is unfair advantages enjoyed by state-owned savings banks, has complained La Poste could not compete fairly because of its large captive customer base.

La Poste denies any intention of rivaling the banks, but the loss-making public service has committed itself to keeping open all its 17,000 branches, that make far more money out of customers' savings accounts than from mail.

La Poste manages savings of FF1834bn (\$164bn), or about 10 per cent of the country's total. It already generates FF17bn in revenue a year from postal services. Reinforcing this, La Poste has announced plans to increase the number of its financial advice staff from 4,500 to 6,000 by 1997.

*David Buchan, Paris*

**Ukraine pit strike suspended**

Ukraine's mining union yesterday suspended its two-week strike without gaining significant concessions from the government. A union leader told Interfax news agency the miners might put their tools down again, but the strikes paled out with fewer pits willing to hold out for the higher pay and subsidies demanded by the unions.

The Kiev government refused these demands, citing the need to keep the budget deficit down. The miners at the older pits lack the economic and political clout to force the government's hand. But their walkout has seriously depleted Ukraine's fuel reserves. The government went on emergency footing this week when Russia took Ukraine off their common electricity grid for taking too much electricity, and power plants in the striking regions ran out of fuel. A harsh winter has also contributed to the energy crisis, which has forced many factories to shut down.

However, the Kiev government avoided the expensive promises made to Russia's striking miners by the Kremlin this month.

*Matthew Kaminski, Moscow*

**Portugal reverts to GMT**

Portugal is to revert to the same time as Britain and Ireland by not moving its clocks forward by an hour on March 31, Mr António Guterres, the prime minister, said yesterday.

The previous centre-right government moved clocks forward an hour to Central European Time in 1994, arguing that it would benefit the economy for businesses and financial markets to be on the same time as most of the European Union. Because Portugal is the European mainland's westernmost country, this meant the sun rose after 8am in mid-winter, forcing children to travel to school in the dark for most of the school year.

Mr Guterres' centre-left government, which won a general election last October, has decided to return to Greenwich Mean Time on the recommendation of scientific experts and education officials.

*Peter Wise, Lisbon*

## EURO DISNEY S.C.A.

## NOTICE OF CONVOCATION

Euro Disney Shareholders are invited to attend a Combined General Meeting at the New York Hotel, Disneyland Paris, Chessy (Seine et Marne), France, on Tuesday March 12, 1996 at 10 am.

The agenda for the meeting, a list of resolutions and the report of the Company are available from SBC Warburg, 1 Finsbury Avenue, London EC2M 2PP.

Any shareholder, regardless of the number of shares he/she holds, has the right to attend this meeting, to be represented by another shareholder and member of this meeting, or by his/her spouse, or to vote by mail.

In order to attend, or to be represented at this meeting, or to vote by mail:

- holders of registered shares must be registered at the latest five days prior to the date of the meeting.

- holders of bearer shares must ensure that the manager of their share account confirms, prior to the same date, their shareholding, as at the date of the combined general meeting, with Banque Indosuez, 96 boulevard Hausmann, 75008 Paris, France.

Banque Indosuez will provide shareholders with proxy or postal voting forms and admission cards. Shareholders wishing to vote by mail must, pursuant to legal provision, request by registered mail with acknowledgement of receipt requested, a

postal voting form from Banque Indosuez or the registered office of the Company (Investor Relations Department).

In accordance with the law, shareholders are reminded that:

- any request for forms, must be received at the registered office of the Company or at the above office of Banque Indosuez six days prior to the day of the meeting, i.e. by Wednesday March 6, 1996 at the latest;

- the form, duly completed, must be received at the registered office of the Company or at the registered office of Banque Indosuez, 96 boulevard Hausmann, 75008 Paris, France, three days prior to the meeting, i.e. by Saturday March 9, 1996 at the latest;

- holders of bearer shares must attach a certificate issued by the manager of their share account, confirming their shareholding, to the form;

- shareholders voting by mail will not be entitled to attend the meeting in person or be represented at the meeting by proxy.

The Gérant

If you are a shareholder, you can benefit from the many privileges of the Euro Disney Shareholders Club. For further information, please contact the Club by telephone: (33 1) 64 74 56 30.

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**Latin American Mining**

on Monday, April 22

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FT Surveys

**Austria keeps its savings anonymity**

Austria's Chancellor Franz Vranitzky yesterday underlined his country's determination to continue to allow anonymous bank accounts, in defiance of European guidelines to combat money laundering.

His intervention illustrates how support for the accounts has unified all political parties in the face of international criticism.

They were described this week by Mr Klaus Liebscher, the central bank president, as "part of the Austrian savings culture [which] should not be touched".

A string of complaints from the US Drug Enforcement Agency and other international law enforcement bodies about Austria's anonymity laws, unique in the western world, culminated this week with a

cial notice from Brussels that the European Commission would take Austria to the European Court if anonymity on savings accounts were not lifted.

Italian and German tax authorities have also voiced concern about their nationals evading tax.

Bank accounts have been held anonymously for 200 years in Austria, and about Schfl 400m (\$125m) is held in 26m savings accounts - the country's population is about 8m.

Austrians can take their savings to the bank, where they receive a book and a codeword. Clerks never ask for proof of identity - for withdrawals, it is enough to hand over the savings book and write down the codeword on a piece of paper.

At one time the accounts were an accepted way of avoiding tax on interest, but tax is now deducted automatically from every savings and securities account.

But people still have reasons to hide their savings from authorities.

The Austrian constitution guarantees bank secrecy, but this can be suspended where there are well-founded suspicions of tax evasion or other felonies.

Moreover, many people do not trust bank managers to be discreet about their clients' finances. Especially in small towns, a sudden windfall could quickly become public knowledge, they fear.

With Switzerland, there are no serious penalties for breaking bank secrecy laws.

Psychologists see the passion

for anonymous savings as a sign of an ambivalent attitude toward money. People rarely discuss their income, even among friends, and wealth still attracts less respect than political influence or celebrity.

Economists also point to a weak entrepreneurial spirit and little concern for maximizing profits.

Only about 4 per cent of Austrian own shares, and savings are seen as something to be defended, not necessarily increased. Given these cultural and emotional factors, no political party dares to take on anonymity.

Moreover, banking experts argue that the EU's concerns are misplaced. Anonymous savings accounts may be useful for petty tax evasion, but not for major money laundering - deposits are limited to

Sch200,000, which is too small to launder receipts from large-scale drug trafficking.

They admit that one person can have many accounts, but argue that laundering millions through dozens of accounts would be difficult.

Last year banks reported 310 cases, with a volume of Sch2.5bn, where they suspected money laundering. Only a handful of these involved savings accounts, the police said.

Anonymous securities accounts, used for buying bonds and stocks, which are more likely to be used for illegal transactions, will be abolished in mid-year, Mr Viktor Klima, finance minister, announced.

**Eric Frey**

**Fall of the Wall mends no fences with some Berliners**

By Judy Dempsey in Berlin

Since 1990, Peter and Britta Müller have grown vegetables on an 80 square metre plot of land in Kleinmachnow, near Berlin.

They believe the land is theirs - it has been in the family for most of this century. But the German government insists that they have to pay DM100,000 (244,000) for it.

For 30 years the Berlin Wall snaked through their property, dividing the Müllers from their western neighbours. Then, they could not tend their garden - it had been confiscated by the communist Defence Ministry authorities to make way for the Wall.

"The Wall and the fences got higher and higher," said Mr Müller. "We were so pleased when unification came. We were sure we would get our property back." But on unification all former east German defence property automatically passed to the federal authorities in Bonn, and the authorities said that the owners of such land were not entitled to compensation or restitution.

By contrast, those whose property was confiscated by the Nazis between 1933 and

"At least there is the recognition that we have the right to have our land back"

1945 and by the communists between 1949 and 1950 are entitled to get their property back or be paid compensation.

"It was so clear to us that we should get our property back, especially since there are no outstanding claims on this land," said Mrs Müller.

Other property owners felt the same. Wolf-Dieter and Beata Golz campaigned ceaselessly to get their property back.

They set up an association to put pressure on the Berlin and federal government, drawing hostility from some of those who have their eyes on development opportunities or are simply jealous.

"We received hate mail... received threats. Clearly, there were some people who did not want us to get our land back," said Mrs Golz.

Lawyers said Mr Theodor Waigel, the finance minister, had been reluctant to consider restitution, because the federal authorities would lose valuable property, some of it in the heart of Berlin, or compensation, because it would cost too much.

After six years of pressure, court cases, and delays in investment plans by property developers, the government this month agreed to a compromise - former property owners along the Berlin Wall will be allowed to have their land back for 25 per cent of the market rate.

"It's a disgrace," said Mr Müller. "Where will I get back land which is mine in the first place? I am a pensioner. I don't have those savings. This is unjust."

Other owners believe they have won a victory, however small.

"At one stage Waigel wanted to make us pay 75 per cent of the market price," said Mrs Golz. "At least there is the recognition that we have the right to have our land back."

**Pension regimes handicap worker mobility within EU**

Emma Tucker on why the Commission backs away from the issue

In the three years since Europe's single market was launched, the passage across frontiers for computers, umbrellas, dining room tables and other traded goods has undergone a transformation.

The same cannot be said for the movement of workers.

The free movement of people is a basic principle of the EU treaty, but knocking down barriers for workers who uproot their families and seek employment elsewhere in the Union has proved harder than removing obstacles to trade.

Last week the European Commission decided to postpone drawing up proposals to make occupational pensions portable within the EU. It backed off mainly because it was worried about interfering with countries' domestic pension regimes.

Instead, the matter was referred to a group set up to examine all the problems associated with free movement of people, but it will be another six months before a decision is taken on whether action at an EU level is necessary.

Mr Padraig Flynn, social affairs commissioner, who is promoting the need for EU legislation, argues that occupational pension schemes are growing in importance and are already more significant for many workers than state pensions, for which cross-border co-operation exists.

"At the moment, people who move from one job to another face losing pension rights. This is bad for individual workers, and for the European economy."

Under this, employees have to work for a company for 10 years before qualifying for benefits and are therefore heavily penalised if they move.

The system acts as a huge disincentive to movement within Germany, let alone to other EU countries.

"The whole idea of the German system is to create loyalty, but this is in direct conflict with the free movement of people and the free movement of capital," says Mr Koen de Ryck, of the European Federation for Retirement Provision.

Mr Flynn's idea is that vesting periods across the Union be progressively reduced to no more than five years by 2010. But authorities in Bonn are worried that such a proposal would generate pressure inside Germany to relax the rules.

Indeed, failure to do so would lead to the odd situation in which the benefits of workers moving from Germany to other EU member states were better protected than those moving within Germany to another company.

Germany's main defence is precisely because of problems like those associated with occupational pension schemes that the figure is so low.

Another problem is that German supplementary pensions tend to be "book reserve" plans, which do not set aside pension contributions as a separate fund to back up pension promises, but incorporate them into a company's balance sheet.

This is also the situation in Sweden, Luxembourg and Spain. Book reserve systems would make capital transfers straightforward in the case of funded pension schemes - complicated.

"Germany obviously doesn't want capital to be transferred out of Germany, and that is very short-sighted," says one pensions expert.

However, there are signs that countries are altering their national legislation.

Belgium, for example, has

recently reduced vesting periods to one year and officials at the Commission are optimistic that Germany's stance might alter over the next two to three years, particularly as the government seeks to improve the flexibility of the economy.

"Countries are moving in the right direction," confirms Mr de Ryck.

"The Commission should give them time to adapt their national systems, rather than impose a change now."

Mr Flynn counters that it is

**THE FINANCIAL TIMES**  
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone +49 69 956 2481. Registered in Frankfurt, Fax +49 69 956 2481. Registered in Frankfurt, ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholder of the above mentioned two publications, The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. SEI 9HL.

**GERMANY:**  
Responsible Editor for Advertising: Claus A. Krause, Prinz Albrechtstrasse 1, 8053 Munich, Germany. Tel: 089 5376 8233. Printers: W.G. Brügel, Cologne. ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

**FRANCE:**  
Publishing Director: P. Maraviglia, 42 Rue La Boétie, 75008 PARIS, France. Telephone (01) 53 62 00 00, Fax +33 1 53 62 00 00. S-530 06

## Wife No 1 jumps ship as Dear Leader's woes grow

By John Burton in Seoul

The reported defection to the west of the former wife of North Korea's de facto leader, Kim Jong-il, is only the latest chapter in the political soap opera involving the country's ruling family.

The Kim clan is not exactly a model of Asian family values. Instead, it mixes the political intrigue of a Jeffrey Archer novel with the sexual dalliances of the Windsors.

The central plot is the bad blood between Mr Kim Jong-il and the rest of the family since he was appointed by his late father, Mr Kim Il-sung, to succeed him as North Korea's leader.

Mr Kim, the Dear Leader, celebrated his 54th birthday yesterday, but has never had an easy time with his relatives. His mother died when he was young and his step-mother apparently hates him. She has wanted her own three children to rule North Korea.

In response, Mr Kim has exiled his rival siblings by appointing them to diplomatic posts in Europe.

There is also little love lost between Mr Kim and his uncle, who, as the younger brother of Kim Il-sung, had been originally groomed to succeed him but was dropped in favour of Kim Jong-il. The uncle is one of North Korea's four vice-presidents, but he has not been seen in months.

The apparent defection of Ms Song Hye-rim, Mr Kim's first wife, indicates new troubles on the home front and yet another succession battle.

Ms Song was a beautiful young actress when Mr Kim met her in 1987 and forced her to divorce her husband. She subsequently gave birth to Mr Kim's eldest son, Kim Chong-nam.

But she later fell victim to Mr Kim's womanising and was abandoned in favour of the Dear Leader's second wife. Ms Song was sent off to Moscow and lived in a luxurious apartment provided by Mr Kim.

After staying in Russia for 13 years, Ms Song may have decided to defect because of a reported feud with Mr Kim's third and current wife, a former dancer, over which of their sons will become the heir apparent.

Some analysts believe that Mr Kim's family troubles could pose a threat to his future position. Defectors have reported that some of the North Korean elite, particularly the military, have doubts about the reclusive Mr Kim's ability to govern. The country's economic woes and food shortage have exacerbated those concerns.

If the army ever decides to stage a palace coup against Mr Kim, it will probably try to install another Kim family member as president to legitimise their action. Mr Kim's uncle and half-brother are regarded as strong candidates.

Devoid of a tabloid press, North Koreans, however, remain blissfully unaware of the family squabbles. Indeed, in spite of the cult of personality surrounding the Kim family, few North Koreans are even aware that Mr Kim Jong-il has had several wives.

## Dirty business in the New Hampshire snows

Jurek Martin watches Republican rivals slugging it out below the belt

In one sense the Republicans were lucky. An arriving blizzard, familiar to New England this winter, was more on the minds of the local media yesterday than eight candidates in pursuit of the party's presidential nomination, all gathered in New Hampshire ahead of Tuesday's primary election.

Even they might concede it a blessing if the snow obscured the rising mound of dirt and mud that has attached to their campaign over the last 24 hours. Their televised debate in Manchester on Thursday night was an unedifying apothecary of the negative.

Most caught in the crossfire was Mr Pat Buchanan, a close second to Senator Bob Dole in the New Hampshire polls. Just hours before the debate, the conservative commentator had placed "on leave" one of his four national campaign co-chairmen, Mr Larry Pratt, revealed to have spoken at several meetings of white supremacist groups in the last few years.

Mr Lamar Alexander, running third and rising, had also found himself with a lot to explain. A series of media reports inviting the title of Tennessee-gate alleged that the former governor and state university president had diverted contracts and business to friends and family, substantially enriching himself in the process. "I never said I wasn't a capitalist" was his stock response.

In response, Mr Kim has exiled his rival siblings by appointing them to diplomatic posts in Europe.

There is also little love lost between Mr Kim and his uncle, who, as the younger brother of Kim Il-sung, had been originally groomed to succeed him but was dropped in favour of Kim Jong-il. The uncle is one of North Korea's four vice-presidents, but he has not been seen in months.

The apparent defection of Ms

Song Hye-rim, Mr Kim's first

wife, indicates new troubles on

the home front and yet another

succession battle.

Ms Song was a beautiful

young actress when Mr Kim

met her in 1987 and forced her

to divorce her husband. She

subsequently gave birth to Mr

Kim's eldest son, Kim Chong-

nam.

But she later fell victim to

Mr Kim's womanising and was

abandoned in favour of the

Dear Leader's second wife. Ms

Song was sent off to Moscow

and lived in a luxurious apart-

ment provided by Mr Kim.

After staying in Russia for 13

years, Ms Song may have

decided to defect because of

a reported feud with Mr Kim's

third and current wife, a for-

mer dancer, over which of

their sons will become the heir

apparent.

Some analysts believe that

Mr Kim's family troubles could

pose a threat to his future posi-

tion. Defectors have reported

that some of the North Korean

elite, particularly the military,

have doubts about the reclusive

Mr Kim's ability to govern.

The country's economic

woes and food shortage have

exacerbated those concerns.

If the army ever decides to

stage a palace coup against Mr

Kim, it will probably try to

install another Kim family

member as president to legiti-

mise their action. Mr Kim's

uncle and half-brother are

regarded as strong candidates.

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North Koreans, however,

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the family squabbles. Indeed,

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even aware that Mr Kim

Jong-il has had several wives.

In a speech to the Interna-

tional Aviation Club in Wash-

ington, Mr Pressler also sup-

ported UK demands that Brit-

ish carriers be allowed to bid

for contracts to transport US

civil servants.

The senator's initiative

comes after administration offi-

cials said they would block any

attempt by British Airways to

form new airline alliances in

the US unless the UK agreed to

grant US carriers greater

access to Heathrow airport.

BA said last month it had

decided not to increase its 34.6

per cent investment in USAir.

USAir officials said that BA

would not have received per-

mission to increase its stake.

US officials said BA would

find it hard to win ap-

proval for any new code-

sharing pact with US carriers.

Code-sharing allows an air-

line to sell seats on flights

operated by its partner carrier.

Some aviation industry execu-

tives believe BA would like to

conclude a code-sharing alli-

ance with American Airlines.

Mr Pressler made it clear

that BA would only be able to

take advantage of any new legi-

lation if the UK agreed to

greater access to Heathrow.

Although a Republican, the

senator is a strong supporter of

the approach taken in aviation

negotiations by Mr Federico

Petra, the US transport secre-

tary.

The senator's proposal is

aimed at breaking the deadlock

in UK-US aviation relations.

Negotiations between the two

countries broke down in Octo-

ber when the US said UK pro-

posals to increase access to

London's Heathrow airport

were too restrictive. The right

of foreign airlines to own up to

49 per cent of US carriers is

an longstanding UK demand.

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## NEWS: UK

# £1m reward offered to catch bombers

By John Kampfner in London  
and John Murray Brown in  
Dublin

British police yesterday arrested several people in their search for Irish Republican Army bombers as Sinn Féin came under strong pressure to seek a restoration of the Northern Ireland ceasefire. Sinn Féin is the political wing of the IRA.

With London gripped by a series of security alerts following the bomb in Docklands, which killed two people last week, police offered a £1m (£1.54m) reward for information. The source of the reward, the biggest offered in a terror-

ist case, was not revealed. Commander John Grieve, head of Scotland Yard's anti-terrorist branch, said: "We will use every weapon we are given by our communities to bring terrorists to justice. We know that some criminals are motivated by money and we can all use that to get the information

their behalf," he wrote. "Senator Mitchell alone can speak to, and has the trust of, all parties to the conflict... His six principles and phased decommissioning [of weapons held by paramilitary groups] are needed so that we do not fall back into the rut of old arguments which have delayed the peace process so much up until now."

we need." Police have established that the Ford truck used in the Docklands bombing travelled to the London area from the Scottish port of Stranraer, which has a ferry link to Northern Ireland.

Officials of the government of the Republic of Ireland met Mr Gerry Adams, Sinn Féin

president, at a secret location for two hours to set out the government's conditions for allowing the party back into the search for a political solution for Northern Ireland.

Mr Dick Spring, the republic's deputy prime minister, said the government would be "giving vent to its anger in

relation to the breakdown of the IRA ceasefire". Thousands of people attended marches against terrorism in Northern Ireland while Mr Spring launched a peace campaign in the republic. Pro-British loyalists joined a small group of Sinn Féin supporters at a demonstration in Belfast.

Ms Marjorie Mowlam, the British Labour party's shadow Northern Ireland secretary, said the leaders of the two main parties representing pro-British paramilitary groups in Northern Ireland had assured her that they were working to prevent any slide back into sectarian violence.

## Music industry seeks big earners

By Alice Rawsthorn in London

The UK music industry should have good cause to celebrate at the annual Brit awards ceremony in London on Monday. More than £1bn (£1.54bn) of albums and singles were sold in the UK last year and overseas earnings rose above £1bn.

Young British bands such as Oasis and Bush currently have Top 10 albums in the US. But the industry faces the challenge of maintaining momentum in Britain and nurturing new international stars to replace enduring "dinosaurs" such as Eric Clapton and Elton John who are around since the 1960s.

Young bands such as Oasis, Pulp, Radiohead, Blur, Supergrass and other Britpop acts are typical of the "indie" bands that have traditionally been relegated to cult status - signed to independent record labels, attracting rave reviews and faithful young fans, but failing to generate high sales.

The "teen boom" has provided a larger market for their music thereby introducing it to an older audience.

The success of Oasis has fuelled a surge of interest in signing new talent and sought-after acts can virtually dictate their own terms.

"There's so much competition that deals are getting more expensive," says Mr Ray Cooper, deputy managing director of Virgin Music (UK). "But it's easier for UK labels to get deals for artists in the States, because the Americans don't want to miss out on the next Oasis."

The US is important to UK artists because it is the world's largest music market and because a hit there makes it easier to break into Asia and Latin America. The dearth of recent US breakthroughs has left British music exports heavily dependent on ageing stars. The youngest of the 10 musicians with the highest disclosed earnings last year, according to the Media Research Publishing research consultancy, was 41-year-old Annie Lennox.

## UK NEWS DIGEST

## Aon offshoot is fined £110,000

Combined Life Assurance Company, a subsidiary of Chicago-based insurer Aon Corporation, was fined \$110,000 (£63,400) by Lautro, the regulator for the life assurance sector. Lautro also imposed £20,000 costs for failures in CLAC's compliance processes for 2½ years to January last year. Lautro said CLAC had failed to "take reasonable steps" to ensure its staff acted in line with their responsibilities, particularly in dealing with problems identified through compliance reviews.

The company's records on recruitment, compliance and the filling out of customer questionnaires were also inadequate. CLAC has begun a process of reviewing 2,500 random cases to check whether investors were given good advice. So far, it has paid out a total of just under £1,000 compensation in six cases. Last summer, CLAC stopped selling life assurance and de-registered all its 250 sales agents, although it still administers the policies of its 44,000 clients.

Alison Smith, Investment Correspondent

### Tanker runs aground

The oil tanker Sea Empress was last night listing heavily and low in the water after running aground on rocks at St Ann's Head as she entered Milford Haven in south west Wales. About 4,000 tonnes of the 140,000 tonne cargo was estimated to have leaked from ruptured tanks. Conservationists expressed alarm at the potential damage to wildlife on nearby islands and coastline. A 20cm slick was reported last night, with oil coming ashore. The Liberian registered tanker, which has been around since the 1960s,

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Russian crew of 28 hit rocks a few hundred metres offshore. She was bound for a Texaco refinery, where her cargo of North Sea crude was to be refined into petroleum. Milford Haven is one of Europe's three largest oil ports, together with Sullom Voe in Scotland and Rotterdam. It handles 360m tonnes of oil a year.

Roland Adingham, Milford Haven

**Claim against bank dropped**

Liquidators of BishopsGate Investment Management, a fund management company set up by the late publishing tycoon Robert Maxwell, gave up their claim for more than £40m (£61.5m) from Credit Suisse, the Swiss bank. The decision represents a reversal for the efforts of trustees of the Maxwell pension funds and liquidators of BIM to retrieve the £40m which Maxwell removed from pension funds. Last year, trustees of the Maxwell pension funds won £27.6m from Goldman Sachs and Lehman Brothers, the US investment banks; from Coopers & Lybrand, auditor of the failed Maxwell Communication Corporation; and from other Maxwell group companies.

Shares owned by the Maxwell pension scheme and managed by BishopsGate Investment Management were passed to Credit Suisse as security for a £50m loan facility granted in 1990 by the Swiss bank to Robert Maxwell Group. Robson Rhodes, liquidators of BIM, launched legal action against Credit Suisse, claiming back over £40m and alleging misconduct by the Swiss bank. After 180 days of trial and several days of out-of-court negotiations, the liquidators agreed to drop all claims.

Nicholas Denton, Financial Staff

### Sumitomo offshoot expands

The Japanese-owned Surface Technology Systems is to expand in south Wales with a £5m (£7.7m) purpose-built plant expected to create an additional 100 jobs. The company, a subsidiary of Sumitomo Precision Products, makes plasma systems used in integrated circuits and other microchips. In March last year, Sumitomo took over STS, which is based at Abercarn, where it employs 84 people. Turnover has since increased rapidly, with 95 per cent of sales exported, and it has already outgrown the site. The project is receiving grant support from the British government.

Roland Adingham

### Pharmacia & Upjohn closure

Pharmacia & Upjohn, the newly merged Swedish-American group, yesterday announced the closure of its manufacturing site at Crawley, near London's Gatwick airport, with the loss of 200 jobs. The move is part of a worldwide restructuring which will see the group close up to half its facilities. There will be no other closures in Britain. The group is setting up its world headquarters in Windsor and its UK headquarters at the former Pharmacia offices in Milton Keynes to the north of London. Crawley, which manufactures animal and human health products, is a former Upjohn site.

Jenny Lister

**Passport theft** Police in the English Midlands have arrested 20 people after finding forged and stolen passports buried in a garden. The discovery has led to the deportation of a number of people.

### The Scott report on arms for Iraq

## Export licensing may be reviewed

By Michael Cassell,  
Business Correspondent

A fundamental review of export controls and licensing, based on emergency legislation introduced in wartime Britain and still in force, could follow Sir Richard Scott's report on arms for Iraq. The 1,800-page report, which included criticisms of ministers and the government machine, was published on Thursday.

Despite recent moves within the Department of Trade and Industry to modify a system intended to prevent exports deemed to be "against the national interest", Sir Richard called for its urgent overhaul.

He criticised present arrangements which gave the government "unfettered power to impose whatever export controls it wishes and to those controls for any purposes it thinks fit". Sir Richard called instead for a licensing system and procedures "suitable for the peacetime requirements of a trading nation in the post-cold war era".

The department said yesterday that the picture painted by Scott of the government's export control regime was out of date and did not take account of subsequent

changes. The department pointed to a list of changes made since the late 1980s, including the creation of a central Export Control Organisation, improved co-operation between government departments and the introduction of a range of revised procedures covering licence applications.

But such changes do not fully meet Sir Richard's concerns, and his report has won from Mr Ian Lang, trade and industry secretary, a commitment to publish a consultation paper on export controls and licensing procedures.

Sir Richard said that, in replacing the present legislative structure, the government should in particular re-examine its powers to control exports in peacetime and the extent to which they should be subject to parliamentary provision.

Instead of the present ad hoc arrangements covering licence applications he called for statutory procedures enabling them to be dealt with fairly and within a stated period. He also suggested an appeals procedure for rejected applications.

The government has said it is prepared to consider such proposals if there is enough support from exporters.

## Police seek commercial sponsorship

By Alan Pike,  
Business Services  
Correspondent

The private sector is to be asked to contribute 1 per cent of North Yorkshire police force's budget under unusual proposals for commercial sponsorship.

North Yorkshire, which covers the biggest area of any single-county force in Britain, has appointed what it believes is the first sponsorship officer in the British police service. Private sector organisations will be offered the opportunity to raise their image through association with the "strong brand name" of the police.

Mr David Burke, chief constable of North Yorkshire, said: "For a long time now North Yorkshire police force has been struggling with a cash shortage which has made it increas-

ingly difficult to provide the service required by the public. Through the private sector, we aim to improve that level of service. This is a great opportunity for the business world."

Senior officers recognise that sponsorship may provoke public fears that the police service's integrity and neutrality are being undermined. But Mr Roy Philpott, the newly-appointed sponsorship and marketing officer, believes he is producing a sponsorship policy which will establish clear guidelines.

"The quality of police service to the public is the number one priority, and sponsorship will only be used to enhance that service," he said. "The integrity of the force is paramount and will not be compromised."

Mr Philpott's initial target is to attract sponsorship for 1 per

cent of the force's £69.7m annual budget. North Yorkshire has located private sector partners to provide radio pagers, speed enforcement cameras and Stinger devices, which halt vehicles whose drivers ignore police instructions to stop. It also wants sponsors to help buy four-wheel-drive patrol vehicles for

remote country areas. Supporting motor manufacturers or dealers would be able to display their sponsorship logos on the vehicles.

The force believes companies may regard the police as an attractive sponsorship partner. It is highly visible, and is associated by the public with security.

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3pc Suits from £995  
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Offer open until 30th March 1996  
**BLADES OF SAVILE ROW**  
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W1X 1LG 0171 734 8911  
Visiting tailor service available

## COMPANIES AND FINANCE

**Hewlett-Packard surprises with 31% rise**By Louise Kehoe  
in San Francisco

Hewlett-Packard surprised Wall Street with a 31 per cent increase in net earnings for its first fiscal quarter, as the computer and electronics equipment manufacturer continued to outpace competitors.

The share price jumped more than 8 per cent to trade at \$83 in mid-session, up from Thursday's close of \$88.

Net earnings for the quarter, which ended on January 31, were \$780m, or \$1.50 a share. Wall Street analysts had been projecting earnings of about

\$1.35 a share. Earnings in the same period a year ago were \$562m, or \$1.15.

Revenues for the quarter climbed 27 per cent to \$9.3bn from \$7.3bn in the first quarter of fiscal 1995.

Revenues from US sales were \$3.8bn, up 20 per cent from the year-ago period, while international sales increased by more than 33 per cent to \$5.5bn.

Orders booked during the quarter were \$10.1bn, up 28 per cent - a strong indicator that HP's rapid growth will continue in the current quarter. In contrast to several of its largest competitors such as Inter-

national Business Machines and Digital Equipment, which are still recovering from periods of heavy losses followed by broad restructuring activities, HP is "firing on all cylinders", said industry analysts.

The company is the leading supplier of large-scale computers that run the Unix operating system, and has recently made a successful entry into the US home computer market.

Sales of HP's flagship DeskJet printers are also growing strongly, while the company's electronic instruments division achieved more than 20

per cent growth in the first quarter.

Even Mr Lew Platt, HP chairman and chief executive, who is generally conservative in his comments on earnings, could find little wrong with the first-quarter results.

The results were "a terrific start to the year", he said. "Our businesses executed very well, and we strengthened our competitive position in key markets."

Growth in HP's personal computer business was "outstanding" in the first quarter, Mr Platt said, while orders for the company's DeskJet

printers were "excellent".

Operating expenses rose 15 per cent in the first period, but declined as a percentage of revenues, to 22.6, compared with 24.9 per cent a year ago.

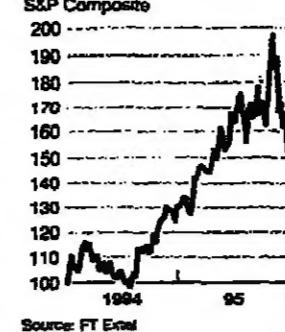
The only blemish on HP's quarterly report was a significant increase in inventories, which rose to 20.3 per cent of revenues from 16.5 per cent in the same quarter last year.

"We didn't do as well at managing inventory, as we need to," Mr Platt said.

Slowing economic growth in US and Europe could have an impact on HP's business in the year ahead, Mr Platt cautioned.

**Hewlett-Packard**

Share price relative to the S&amp;P Composite



Source: FT Data

1984 85 86 87 88 89 90 91 92 93 94 95 96

100 110 120 130 140 150 160 170 180 190 200

**EFM seeks to keep Dunedin's US clients**

By James Buxton, Scottish Correspondent

will move its own back office processing there from WM Company, to whom it has outsourced this work.

The placing and open offer is on a 3-for-5 basis at 675p per share, compared with last year's close of 715p.

British Investment Trust and American Trust, which between them own 60.6 per cent of EFM, are voting for the offer but not taking up their rights. This means that BITT will reduce its holding from 52.5 per cent to 32.8 per cent.

The merger will more than double the size of EFM, creating a group with funds under management of £8.2bn. EFM is paying for Dunedin with a placing and open offer, which has been fully subscribed by institutions and will raise about £75m.

Bank of Scotland and the four investment trusts which own Dunedin - of which the biggest is Edinburgh Investment Trust - decided to sell after a crisis last year in the running of Dunedin, in which key fund managers as well as the executive chairman and his deputy resigned.

Dunedin currently has £4.8bn of assets under management, of which just over £1bn consists of North American pension funds. The management contracts automatically lapse with the change of ownership and EFM must pitch for them.

About half of the North American money which Dunedin was managing before the crisis in late October has already been moved.

The effective purchase price is 277.25p, after subtracting Dunedin's £3m in cash. EFM says the merger will be earnings enhancing.

It will retain Dunedin's back office in Dundee and next year

drop the name.

The final dividend of 17p (16p) makes a total for the year of 25p (24p).

● **COMMENT**

This is a highly satisfactory outcome of the disastrous Dunedin affair. EFM gets a wider spread of assets and BITT's reduced stake means it is no longer dominated as much by one of its clients. The price represents 1.73 per cent of Dunedin's funds under management, which would look cheap were it not for the question mark over the £1bn in North America. Analysts added £2m to their 1996/97 forecast for EFM of £13.5m, making £22m. That would add 3p to earnings per share, making 45p, putting the shares on a prospective p/e of 14.5, which looks a reasonable buy.

**Trust launched to follow life assurers**

By Roger Taylor

considering a flotation. Others, such as Scottish Amicable, are rumoured to be considering similar moves. Mr Colin McLean, a director of Scottish Value Management, said Loot would invest in second-hand endowment policies. Endowments can be bought and sold through market makers which survive by paying a better price than the low surrender values offered by life assurance companies.

Mr McLean said the trust would target those life companies most likely to restructure. "We will be putting more of our money into Norwich Union policies than into a company like Standard Life, which is less likely to change." He said that change in the life assurance industry would mean that life offices would come under pressure to cut costs and improve investment returns.

**'Outsider' joins GrandMet board**

By David Blackwell

Grand Metropolitan, the food and drinks group, has appointed an American with expertise in international brands and marketing to head IDV's drinks division.

Mr John Keenan, known as Jack, retires at the end of March from Philip Morris, the US tobacco and food group, aged 58. He is the first outsider to be brought into GrandMet at board level since Mr Maxwell Joseph, founder of the group, hired Lord Sheppard to run the breweries division in 1975.

Lord Sheppard, aged 63, will on Monday chair his last annual meeting and will retire at the end of the month. Mr John McGrath, who has headed IDV since 1992, will then become chief executive, while Mr George Bull moves from chief executive to chairman.

The appointment of Mr Keenan marks the end of the changes at top level. Mr Bull said yesterday that his background in consumer businesses for international markets "will make him a powerful leader for IDV and an excellent fit with the GrandMet board".

Mr Keenan is retiring as chairman of the Kraft Foods International subsidiary of Philip Morris, where he increased revenues by \$8bn to \$1bn over eight years. Kraft is

will be working until a second retirement at 65.

GrandMet confirmed that this was the plan, pointing out that only employees on the group pension plan had to retire at 65.

Mr Keenan said the drinks industry was better suited to global branding than food, where global thinking often had to be adapted to local conditions. "Smirnoff is Smirnoff" he said, referring to IDV's leading vodka brand.

He would be concentrating on clear market segmentation, the development of new brands in the wake of successes like the Malibu coconut drink, and the development of sales to new markets.

**Burmah sales in Turkey and Chile**

By Simon Kuper

Burmah Castrol, the lubricants, chemicals and fuels group, is to sell its filling stations networks in Turkey and Chile for £44.3m and £20m respectively. It intends to buy the lubricants side of the business in Turkey for £25m.

Burmah also expects to complete the sale of Uno-X, its Swedish fuel network, within the next two or three months. Last July Burmah sold its UK fuel business to Frost Group for £23m.

Fuel retailing now accounts for less than 7 per cent of group's sales, which are expected to total £3.25bn in 1996.

The joint venture reported pre-tax profits of TL865.5bn for the six months to June 1995, with net assets of TL2.904bn, of which about a third is related to lubricants.

Burmah is selling its 50 per cent interest in the Comar joint venture in Chile, together with Comar's holding company, to Costanera, its Chilean partner.

● **COMMENT**

Burmah is right to move out of fuels, a competitive market in which it has lacked critical mass since selling its UK fuel business last summer. Analysts believe the group achieved good prices for yesterday's sales, but the disposals and purchase should have a broadly neutral impact on underlying earnings.

**Excalibur £9m disposal**

By Patrick Hawerson

Birse Group, the contracting and plant hire company which is gradually withdrawing from the troubled housebuilding and commercial property sectors, has returned to profit for the first time in five years thanks to a big increase in its construction workload.

Birse made pre-tax profits of £386,000 in the six months to October 31, against losses of £5.81m.

Pre-tax profits rose from £5m to £22.5m

as the group's underwriting result swung from a loss of £510,000 to a profit of almost £1.7m. The turnaround lifted earnings per share to 9.6p (3.2p) and allowed the company to pay a second interim of 1.4p.

Although Trade Indemnity has traditionally been strongest in its domestic market,

cash and a further £1.5m loan notes redeemable over the next three years. In the event that the notes are not redeemed, Excalibur has the option to convert them into Broomeco equity to a maximum of 16.3 per cent of Broomeco's enlarged share capital.

The disposal will result in goodwill of £4.5m written off to reserves on acquisition, being recredited and then charged to the profit and loss account.

The sale is made up of £7.7m

of the above 25 million ordinary shares, up to 5 million ordinary shares are being offered to intermediaries. Members of the public or institutions wishing to apply for ordinary shares in the intermediaries offer must do so through intermediaries which are regulated by the Securities and Investments Board Limited. An application under the intermediaries offer must be made on an application form available from James Capel & Co. Limited so as to be received with funds for the amount payable not later than 12 noon on 1st March 1996.

This advertisement is issued in compliance with the requirements of, and its contents have been approved by, London Stock Exchange Limited (the "London Stock Exchange") pursuant to section 154 of the Financial Services Act 1986 (as amended by the Public Offers of Securities Regulations 1995). It does not constitute an offer or invitation to the public to subscribe for or purchase any securities of Life Offices Opportunities Trust plc.

This advertisement should be read in conjunction with the prospectus relating to the securities mentioned below dated 16th February 1996 (the "Prospectus").

Application has been made to the London Stock Exchange for the securities mentioned below to be admitted to the Official List. It is expected that such admission will become effective and that dealings will commence on 12th March 1996.

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Copies of the Prospectus are available for collection during normal business hours from the Company Announcements Office, the London Stock Exchange, Stock Exchange Tower, Capel Court Entrance, off Bartholomew Lane, London EC2 up to and including 19th February 1996.

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Edinburgh EH3 8ER

**MGM sale details likely next month**

By Alice Rawsthorn

The French government is expected by early next month to announce the timetable for the sale of MGM/UA, the Hollywood film studio.

Mr Frank Mancuso, president of MGM/UA, held meetings in Paris this week with government representatives and Mr Michel Rouger, chairman of Consortium des Réalisations (CDR), the public sector body to which the studio was transferred from Crédit Lyonnais, the state-controlled French bank.

They are understood to have discussed the recommendations made to CDR by Lazard Frères, the investment bank which is advising it on the sale.

However, CDR and the government are still considering those recommendations and are thought unlikely to take a final decision on the timing or structure of the sale for another few weeks.

Lazard Frères has already received informal approaches from a number of prospective bidders for MGM/UA, which is estimated to be worth between \$2bn and \$3bn.

Several European entertain-

ment groups are seen as potential purchasers, including PolyGram of the Netherlands, Germany's Bertelsmann and France's Chargeurs. There is also a possibility of US bids from Mr John Kluge, billionaire owner of Metromedia, and Mr Arnold Milchan of the New Regency film company. Mr Mancuso has previously expressed interest in staging a management buy-out.

One of the main issues under consideration is the timing of the sale. Credit Lyonnais, which reluctantly acquired MGM/UA in a 1992 bankruptcy case, was originally given until May 1997 to reduce its holding to 25 per cent under US law.

The French are now considering starting the sale process this spring to avoid running up against the deadline and to capitalise on MGM/UA's recent run of box office hits including *GoldenEye*, *Leaving Las Vegas* and *Get Shorty*.

Another issue is deciding what to include in the sale. Among MGM/UA's assets are film rights for productions including *When Harry Met Sally* and *The Fabulous Baker Boys*, that Credit Lyonnais acquired from production companies defaulting on loans.

**Thorn EMI chooses its year-end to announce demerger**

By Alice Rawsthorn

Thorn EMI, one of the UK's largest leisure groups, is expected on Tuesday to confirm that it is proceeding with proposals to demerge its music and rental businesses by the end of this year.

The demerger, which has been under consideration since the summer, could pave the way for an eventual bid for EMI Music, one of the world's biggest record companies which includes the Beatles, Radiohead, Blur, Supergrass, the Rolling Stones and Smashing Pumpkins among its artists.

Thorn EMI declined to comment yesterday on whether the board had taken a final decision over the demerger. However, Sir Colin Southgate, chairman, is expected to use the publication of the group's third-quarter results on Tuesday to announce that it has

decided to go ahead.

It should take roughly six months for the board and its advisors to prepare formal proposals for shareholders, who will then vote on the issue, and, assuming they approve, the process should be completed in late autumn.

After the demerger the Thorn rental businesses, which include the Radio Rentals chain in the UK and Rent-A-Center network in North America, will be quoted separately from EMI Music. Goldman Sachs estimates the value of the Thorn businesses at £1.75bn and EMI Music at £5.81bn.

Analysts expect Thorn EMI to announce strong results on Tuesday. Mr Greg Feehely, leisure analyst at Kleinwort Benson, anticipates a 29 per cent increase in profits before tax and exceptional items to £430m for the nine months to December 31.

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## COMPANY NEWS: UK

# Restructuring provision hits Lloyds TSB

By Alison Smith, Investment Correspondent

A one-off provision of £425m for restructuring left Lloyds TSB Group's 1995 pre-tax profits down from £1.79bn to £1.65bn. Excluding the sum, which will be spent over the next few years, underlying profits were 16 per cent ahead at £2.08bn.

Sir Brian Pitman, group chief executive, said "there will be quite a lot of scrapping" as the merged group, which was formed only in late December, decided which of the two available options in computer systems and specialised premises the combined

operation would retain.

He said that some of the costs would arise from cutting staff numbers, adding that "I still believe the bulk of reductions in numbers will come from ordinary turnover".

Although the bank said the restructuring costs were in line with some analysts' forecasts, the market appeared disappointed, and Lloyds TSB shares closed down 6p at 341½p.

The bank expects to make annual cost savings of £350m by 1998, but Sir Brian emphasised that he expected some cost savings to come through from the current year onwards.

Mr Peter Ellwood, deputy chief executive, said that the combining of operations in the retail financial services division would be carried out by several task forces which would begin work in March. The new division starts formally in April.

Pre-tax profits in the retail financial services business rose 46 per cent to £1.38bn, including 59 per cent rise from banking activities, and a 30 per cent rise from the life assurance businesses. But there was a £45m provision for possible compensation payments to victims of poor personal pensions advice from TSB.

Among the other businesses, pre-

tax profits from wholesale banking rose to £422m (£425m), but profits from private banking slipped by 15 per cent to £22m. Sir Brian attributed this to reduced customer trading activity.

The domestic net interest margin fell from 4.1 per cent in 1994 to 3.8 per cent last year, largely from the acquisition of Cheltenham & Gloucester as the group's mortgage lending arm.

Sir Robin Ibbotson, chairman, refused to be drawn on the two questions that have dogged the bank - who will be chief executive after Sir Brian, who is due to stand down at the end of this

year; and what will happen to Lloyds Abbey Life, the life assurance group mainly owned by Lloyds TSB.

Rejecting a suggestion that the group had too many insurance operations - apart from the insurance business of TSB, L&G contains both Abbey Life and Black Horse Financial Services - Sir Robin said: "We have two main insurance arms, and that is the normal number of arms to have".

Excluding the provision, earnings per share rose 17 per cent to 25.8p (23p). Including the provision they fell to 19.2p. The recommended final dividend is 7.8p.

See Lex

## UniChem raises bid for Lloyds

By Peggy Hollinger

UniChem yesterday increased its cash and share bid for Lloyds Chemists to £630m, in a final attempt to win the pharmacy group away from a rival £584.3m cash offer by Gehe of Germany.

Gehe may now retaliate with a higher bid for Lloyds, which was yesterday expected to advise investors to do nothing until the German drugs wholesaler clarified its intentions. Gehe said yesterday it was considering the merits of raising its 450p per share cash offer.

However, any decision on whether to increase the bid is not likely immediately. Gehe is expected to watch UniChem's

share price closely over the next few days, as this will affect the level at which it would have to rebid.

The market seemed to take the view that the outcome was in the balance, with Lloyds shares hovering close to UniChem's offer price.

UniChem is offering 926p in cash and 16 new shares for every 10 Lloyds shares, which values the retail group's shares at 439p. Lloyds shares closed 2p higher at 433p.

The cash element includes the option of a special dividend payable out of Lloyds, which could make the bid worth an extra 10p per share for tax-exempt investors. The company is also offering 59.7p cash and

1,032.3 new UniChem shares per Lloyds preference share, valuing the stock at 315p against a close of 313p, up 13p.

The market welcomed UniChem's decision to revise the bid and to declare it final. UniChem's offer valued Lloyds at about 15 times prospective earnings, which was a full and fair price, said Mr John Aldersey of Merrill Lynch.

However, he said it was also clear that UniChem's finances would not have allowed it to bid any higher. "From the perspective of UniChem's balance sheet it is as far as they could go," said Mr Aldersey. "They are not overpaying but it is sensible for them to say it is the final offer."

UniChem said that if its bid was successful, gearing would rise to 135 per cent, falling to less than 100 per cent by the end of 1997, with interest cover of just under eight times.

Mr Jeff Harris, UniChem's chief executive, said the acquisition of Lloyds at this level would still enhance earnings significantly. The market is estimating enhancement of between 5 and 10 per cent in 1997.

He denied that without Lloyds, UniChem would founder. "This is not a deal we have to do," he said. "It is a hell of an opportunity, but if we do not get it, we will not implode."

See Lex

## Redland sells Belgian brick stake and makes quarry bid

By Andrew Taylor, Construction Correspondent

The £71m cash sale of its Belgium-based brick interests and hostile bid for a small UK quarry operator were announced yesterday by Redland, which is reorganising its building materials business.

Redland is also seeking a buyer for its UK brick subsidiary, Wienerberger, the large Austrian brick manufacturer, seen as the most likely purchaser. The other interested companies are CRH, the Irish building materials group, and Boral and Pioneer, two large Australian groups.

Redland said yesterday it had sold its 35 per cent stake in Terca Brick Industries to its Belgian partner Koralim Ceramic Holding - doubling its stake to 70 per cent.

Terca, which is quoted, produces about 1bn bricks year from plants in Belgium, Holland, France and Germany. About 20 per cent of sales have been in Germany, where demand for housing is starting to fall. Net profits were £863m (£142m) in 1994.

Redland also yesterday launched a 32p a share bid for Ennemex. However, the east Midlands and East Anglian aggregates company rejected

## Mark One goes into administration

Administrators were appointed yesterday to Mark One, the 96-store discount clothing chain.

The move came in the week that Mr Philip Green, chairman of discount chain Xscape, became Mark One's secured creditor.

Directors put Mark One,

which has £95m turnover but £17m debts, into administration after a winding-up petition was presented by an unsecured creditor, thought to be clothing company Joe Bloggs.

Coopers & Lybrand and Leonard Curtis said Mark One would continue trading while a financial and management review was completed.

## NEWS DIGEST

### Ex-Wainhomes director to sue

Mr Ron Smith, dismissed last month as chief executive of Wainhomes after the company claimed he had lost the board's confidence, has issued a writ claiming £450,000 for wrongful dismissal.

The company stressed in a press release at the time that Mr Smith was not involved in police investigations into allegations of financial irregularities.

The irregularities, uncovered at the end of last year, are thought to involve falsifying invoices and understating costs of sub-contracted work.

Mr Smith had not originally intended to take legal action but changed his mind when he saw the press release which mentioned the fraud allegations alongside his dismissal: "thus doing much to impugn my personal integrity and personal reputation within the business community." Andrew Taylor

New role for QSP chairman

Quality Software Products yesterday announced that Mr Alan Mordain, chairman and co-founder of the accountancy software group, was to become chief executive.

Mr Alan Benjamin, a non-executive director, will take over Mr Mordain's position as chairman in a non-executive role. Mr Benjamin said yesterday that his first priority "will be to review QSP's senior management structure".

Last month angry institutional holders said they would press for the resignation of Mr Mordain and other senior management changes after QSP issued a profits warning.

Shareholders were particularly upset at the timing of the warning, coming only 10 weeks after the company launched a £15m rights issue at 535p per share. The shares fell by 50 per cent in the two days after the warning and yesterday slipped a further 1p to 325p.

Gary Evans

### Creighton's loses large contract

Shares in Creighton's Naturaly, the toiletries manufacturer, yesterday fell 30p to 30p, after it announced second half and full year profits would be hit by the loss of a contract from one of its largest customers.

The company said it still intended to pay a final dividend of 1p, making a total for the year of 3.2p.

### Ind Insurance in French deal

Independent Insurance Group yesterday announced further French expansion with an agreement to acquire Safom, a Paris-based insurance underwriting agency.

Independent is to buy all of Safom's shares on a phased basis over the next three years. Safom has been Independent's French agent since 1988. Last year it achieved underwriting gross premium of FF770m (£23.9m), of which 26 per cent was on behalf of Independent. Consideration will be in cash, based on a value of Fr12m, subject to adjustment.

### Barclays sells Cypriot banks

Barclays is to sell its 40 branches in Cyprus to the Hellenic Bank for \$15m (£11.6m).

Under the agreement, Hellenic will keep the branches open and retain the 560 employees. The deal does not include Barclays' offshore operations on Cyprus.

### Kingspan's £8.6m purchase

Kingspan Group is paying £8.6m to acquire interests in the manufacture and distribution of a range of rotationally moulded polyethylene intermediate bulk containers.

The containers are used in the transportation and storage of liquids and solids in the chemical, brewery, fuel and other industries. The deal is made up of S&D Management, part of the business of Armet Plastics, and two properties.

# Institutions threaten over standards

By William Lewis

Two institutional investors with a combined total of more than \$100bn under management, have written to the UK's largest public companies giving details of the corporate governance policies.

Resolutions it is likely to vote against at company meetings include:

• The appointment or re-appointment of directors that are not subject to regular review by shareholders - so-called insulated posts - and directors on three-year rolling contracts.

• Directors who are members of remuneration, and other, board committees "if they can be seen to have any inappropriate business or other interests which could jeopardise their independence".

Schroders also details company resolutions which would give it "cause for concern", including:

• The appointment and re-appointment of directors holding the post of chairman and chief executive.

• Small firms of auditors working for large companies, or "any firm of auditors where the amount of non-audit work greatly exceeds the amount of audit work".

Schroders also states that "regular, systematic contact at senior level" remains an important part of shareholders' monitoring of companies' corporate governance standards.

A PDFM letter states that "direct dialogue with companies continues to be the most important element" in its corporate governance process.

## Royal Bank to get control of Church

By George Graham and Andrew Taylor

led by RBS swapped more than £200m of debt for ordinary and preference shares.

In 1994 the banks ended up with 80 per cent of the capital after agreeing to write off a further £50.7m of debt.

Dealing with the 10-bank syndicate has drained Church's management energies. "Every time they want to buy a JCB they have to get agreement from all 10 banks," an RBS executive said.

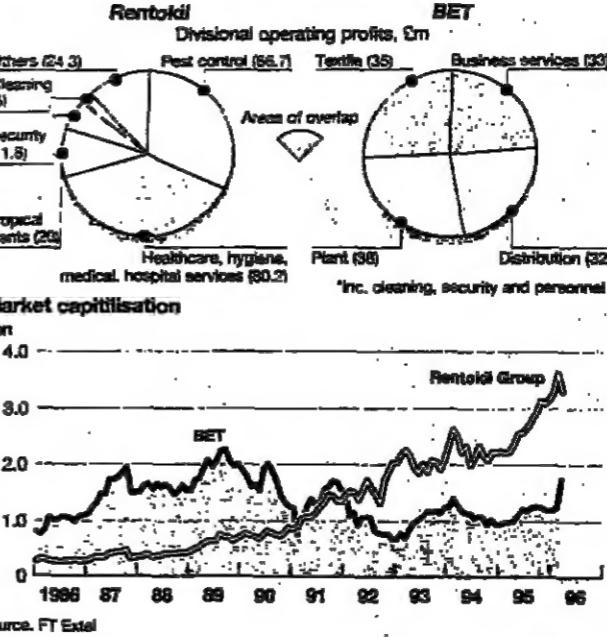
RBS will pay £230,000 for Church's ordinary and preference shares, and will buy out £26m of debt owed to nine other banks for £12.8m. RBS itself is owed £14.5m.

Church operates at the top end of the housebuilding market, which has suffered less than some other segments. It has remained profitable at the operating level, with profits rising from £2.8m to £4.1m in the year ended August 31.

## Determined to catch its prey

Rentokil cites industrial logic and BET's poor record as reasons for its bid, writes Tim Burt

### How they compare



Rentokil could also sell BET's plant services arm, comprising industrial cranes and offshore equipment operations - activities that would not sit easily in the Rentokil portfolio.

Nevertheless, the 52-year-old chief executive said there were enough areas of common ground to make the takeover a natural fit. There is a direct overlap in cleaning and personnel, where Rentokil should be able to push up BET's modest margins towards its 20 per cent threshold. But some analysts accused Mr Thompson of stretching the industrial logic argument by suggesting BET's distribution arm - involving containers and tankers - could

be integrated into Rentokil's express parcels business.

Similarly, opportunities for cost savings in BET's textiles services division - dominated by linen and workwear - could be limited given that Rentokil's hygiene business is concentrated on areas such as catering and drains maintenance.

Mr Thompson, however, said this was the deal, which Rentokil had been considering for most of the 1990s.

The move has the solid backing of Sophus Berndsen, the Danish holding company which owns 51.8 per cent of Rentokil. "We strongly support the offer, and we had hoped very much that BET's board

would think it was a good idea," said Mr Hans Werdelin, Sophus' chief executive. "But their reaction will have no effect on the bid, the company's management cannot block it."

Rentokil has also lined up a formidable team of financial advisers headed by Lazard Brothers, which recently led Granada's successful bid for Forte.

Some analysts suggested its decision to appoint Lazard just before Christmas was a slap in the face for NatWest, its long-standing financial adviser. But the bank has retained a role along with Warburg in underwriting much of the cash alternative and Rentokil's new banking facilities. Full acceptance of the offer would result in Rentokil increasing its number of shares in issue by 80 per cent and paying out £38m in cash. SBC Warburg and ABN Amro Hoare Govett are acting as brokers.

Opposing the Lazard team under Mr Nigel Turner will be Baring Brothers, headed by Mr James Lupton, with support from Merrill Lynch.

Most industry analysts predicted a fierce fight, although few were prepared to say whether Rentokil had offered enough to make it one of Europe's largest business and industrial services groups.

Mr Thompson was certain that it was the right deal at the right time. "BET has demonstrated failed to enhance shareholder value ... we are offering shareholders the opportunity to share in the future success that our proven management skills will bring."

## Rentokil advances 21% to £215m

By Tim Burt

Rentokil, the environmental and business services group, yesterday capped its £174.7m to £208m on turnover of £880.1m (£734.6m), including £4.5m from new acquisitions.

Mr Thompson said the improvement had been fuelled by strong growth in its security, hygiene, tropical plants and distribution businesses. In the UK, that helped profits rise 19 per cent to £91.3m.

Further progress in continental

## COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS  
Copper casts a shadow

Copper's bearish fundamental outlook cast a lengthening shadow over other base metals markets at the London Metal Exchange this week, but some still managed to end with overall gains.

The announcement of LME copper stocks rises of 5,275 tonnes on Tuesday and 6,250 tonnes yesterday took the total to 356,800 tonnes, the highest since October 1984. Partly in response to that the three months delivery price closed down \$22 on the day and \$69 on the week at \$2,470.50 a tonne.

**LIVE WAREHOUSE STOCKS**  
(as at Thursday's close)

	Aluminium	Aluminium alloy	Copper	Lead	Nickel	Zinc	Tin
Close	-4,175	to 662,625	-	-	-	-	-
Previous	-4,250	to 356,800	-	-	-	-	-
Am Official	-3,200	to 105,200	-	-	-	-	-
Kerb close	-324	to 84,780	-	-	-	-	-
Open int.	-4,865	to 84,520	-	-	-	-	-
Total daily turnover	1,204,046						

just \$30 above the recent 17 month low.

There were signs of speculative buying interest at the lower level, but dealers said market sentiment remained decidedly bearish. "Copper has a knack of recovering," one told the Reuters news agency, "but it is one step forward, two steps back."

The lead market was clearly affected by the mood in the copper ring, although its own fundamentals and sentiment remained far more upbeat. With stocks already at a low level and expected to shrink further the overall trend in lead prices has been upwards so far this year. LME stocks of the metal fell another 7,125 tonnes this week to 106,500 tonnes and the three months price closed at \$771.50 a tonne, up \$12 on the week. Earlier it had peaked at \$776 a tonne, just \$1 short of its recent five-year high. Traders told Reuters that clearance of that level would leave the market poised for a medium term rally towards \$900 a tonne.

In a report published this week the Economist Intelligence Unit warned consumers of lead to expect high prices and increased price volatility as the run-down in stocks continued. It suggested the average price this year could be 20 per cent higher than in 1995.

The EU, in its latest Industrial Raw Materials report, forecast that lead's supply-demand deficit - 70,000 tonnes last year - was likely to grow to 110,000 tonnes in 1996, taking the reported stocks total down to the equivalent of only 4.5 weeks' consumption by the end of the year. That would be partly offset, it said, by a continuing high level of unreported stocks, though those stocks were also expected to be below present levels.

"The [lead] market will become a target for investment fund interest as shortages emerge," the EU said, "and this will exacerbate volatility."

The other LME market to end the week with net gains was zinc. Here too, however, the impact of copper's weakness was apparent as news of a fall in LME stocks yesterday failed to prevent prices being trimmed.

After a week of see-sawing movements the three months aluminium price finished back at square one - unchanged at \$1,615 a tonne. In view of a continuing rise in stocks, however, that was seen as a relatively creditable performance.

The gold market also held relatively steady following last week's sharp sell off. At last night's close on the London Bullion Market the price stood at \$404.40 a troy ounce, up 40 cents on the day but down \$1.10 on the week.

The London market had been rather hesitant in the morning as dealers debated the potential attitude of New York traders ahead of their long weekend (the Presidents' Day holiday is on Monday) and market breaks in Asia for the lunar new year. In the event there appeared to be more covering of short positions than of longs and early morning losses were recouped.

Richard Mooney

## BASE METALS

LONDON METAL EXCHANGE  
(Prices from Amalgamated Metal Trading)

	Cash	3 mths
Close	1614.55	1614.42
Previous	1619.20	1617.94
Am Official	1609.50	1605.35
Kerb close	1608.00	1604.45
Open int.	171,047	144,463
Total daily turnover	44,463	

## L ALUMINUM, BILY TONNE (5 per tonne)

	Cash	3 mths
Close	1614.55	1614.42
Previous	1619.20	1617.94
Am Official	1609.50	1605.35
Kerb close	1608.00	1604.45
Open int.	171,047	144,463
Total daily turnover	44,463	

## L ALUMINUM ALLOY (5 per tonne)

	Cash	3 mths
Close	1614.55	1614.42
Previous	1619.20	1617.94
Am Official	1609.50	1605.35
Kerb close	1608.00	1604.45
Open int.	171,047	144,463
Total daily turnover	44,463	

## L LEAD (5 per tonne)

	Cash	3 mths
Close	1779.75	1779.72
Previous	1777.75	1777.72
High/low	1782/1786	
Am Official	1780.70	1782/1785
Kerb close	1780.70	1782/1785
Open int.	35,558	
Total daily turnover	1,209	

## L NICKEL (5 per tonne)

	Cash	3 mths
Close	8226.40	8240.40
Previous	8227.75	8240.40
High/low	8226.20	8240.80
Am Official	8195.200	8200.5
Kerb close	8195.35	8233.35
Open int.	40,828	
Total daily turnover	4,487	

## L ZINC (5 per tonne)

	Cash	3 mths
Close	8226.40	8240.40
Previous	8227.75	8240.40
High/low	8226.20	8240.80
Am Official	8195.200	8200.5
Kerb close	8195.35	8233.35
Open int.	40,828	
Total daily turnover	4,487	

## L TIN (5 per tonne)

	Cash	3 mths
Close	779.75	779.72
Previous	777.75	779.72
High/low	778/780	
Am Official	770.75	770/775
Kerb close	770.75	770/775
Open int.	15,427	
Total daily turnover	2,538	

## L ZINC, special high grade (5 per tonne)

	Cash	3 mths
Close	1037.5-5.0	1037.5-5.0
Previous	1042.4-5.0	1036.1-5.0
High/low	1032.5	1036.10/1035.2
Am Official	1031.5-5.0	1032.5-5.0
Kerb close	1031.5-5.0	1032.5-5.0
Open int.	77,203	
Total daily turnover	20,894	

## L COPPER, grade A 8 per tonne

	Cash	3 mths
Close	2470.94	2470.71
Previous	2510.22	2426.94
High/low	2482	2472/2485
Am Official	2481.82	2454.85
Kerb close	2481.82	2467/2470
Open int.	178,316	
Total daily turnover	51,688	

## L HEATING OIL NYMEX (42,000 U.S. gallons)

	Cash	3 mths
Close	518.90	518.80
Previous	518.90	518.70
High/low	518.90	518.60
Am Official	518.90	518.60
Kerb close	518.90	518.60
Open int.	77,223	
Total daily turnover	20,894	

## L HIGH GRADE COPPER (COMEX)

	Cash	3 mths
Close	112.55	1

## COMMENT &amp; ANALYSIS

## FINANCIAL TIMES

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Saturday February 17 1996

## Bank sends a Valentine

Mr Major's government has taken a heavy battering over the past eight days. First, there was the dreadful news that the IRA had returned to its murderous ways. Then, on Thursday, there landed the long-awaited and highly critical report of Lord Justice Scott on exports of arms to Iraq. Yet all was not gloom for Mr Major and friends.

The IRA may loathe his government; Lord Justice Scott may declare that its statements on defence exports "failed to discharge the obligations imposed by the constitutional principle of ministerial accountability"; but the Old Lady of Threadneedle Street chose St Valentine's day to send an amorous message. True, this did not look like a love letter. It looked like the Inflation Report - 51 pages of sober text and complex charts. But inside was the Bank's apparent consent to the chancellor's widely expected requests for lower interest rates.

"The Bank's central projection for inflation has fallen since the November Report," said the Old Lady to her suitor. More important, "the Bank's judgment is that it is a little more likely than not that inflation will be somewhat below 2½ per cent in two years' time".

Yet the Bank is coy. It may recognise the health of the economy and admit that recent growth in demand has been too weak, but it frets about excessive monetary emission. The chances of hitting the target rate of inflation - below 2½ per cent in two years' time - are, it declares, only a little under 50 per cent. Furthermore, inflation is expected to be on a rising trend towards the end of the forecast period.

Its greatest worry is over the growth of broad money. In the three months to December, M4 grew at an annualised rate of 11.4 per cent, up from 9.8 per cent in September. The Bank's conclusion is that this acceleration "is signalling higher planned spending in the future, although it is too soon to tell whether recent growth rates of broad money will persist".

### Behind the growth

What lies behind the monetary growth is the improved capital position of the banks, as one of the chancellor's wise human beings, Professor Tim Congdon, points out in his latest bulletin. The banking system seems to suffer from a peculiar incontinence. Whenever it has excess capital, it expands lending until the need to write off the resulting bad loans eliminates the excess capital. Maybe that will happen this time, but it is far too early to tell. In the

long run credit cannot safely expand at between 7 per cent and 8 per cent in real terms in an economy growing at only 2 per cent to 3 per cent. But right now let the UK government and two senior ministers off the hook.

Its 1,806 pages, produced after three years of exhaustive investigations, present a catalogue of ministerial incompetence, the misleading of parliament and a culture of obsessive and excessive government secrecy. Yet the heads of ministers will almost certainly not roll, for all the pressure that the opposition parties will exert in the next few days.

Sir Richard, a senior high court judge, gives damning indictments of two serving ministers: the attorney general, Sir Nicholas Lyell, and the Treasury chief secretary, Mr William Waldegrave, a junior foreign office minister from 1988 to 1990.

However, Sir Richard accepts that Mr Waldegrave did not have any "duplicious intention" and that Sir Nicholas was "personally, as opposed to constitutionally, blameless" for a failure to pass on important information to the judge in the Matrix Churchill trial.

Because of these brief judgments of what was in the minds of the two ministers, the prime minister has been able to resist pressure for them to be sacked.

If, as the report strongly suggests, they carried out some of their duties incompetently, that is apparently an insufficient reason for them to leave Mr John Major's government. The prime minister can point to Sir Richard's view that their hearts were in the right place and insist that is what matters.

There was widespread puzzlement yesterday as to why Sir Richard felt the need to comment on their decency at all. "You would be hard pressed to find two more straight individuals," commented an opposition frontbencher. "But surely that is an irrelevant consideration. All that Scott was supposed to give his view on was whether they did anything wrong - and on that point he is unambiguous. They did."

The report's criticism of them is trenchant. It says that in late 1988, three ministers, including Mr Waldegrave, relaxed the strict embargo on the sale of military equipment to Iraq. "It is clear, in my mind," Sir Richard says, "that policy on defence sales to Iraq did not remain unchanged." This is a view he repeats frequently, describing statements to the contrary as "untrue" and "not accurate".

Yet in a series of letters to MPs and members of the public in 1988, Mr Waldegrave insisted that policy was unaltered. And Sir Richard says that answers to questions in both the Commons and the Lords "failed to inform parliament of the current state of government policy". Government statements about defence export policy were therefore "inadequate and misleading".

Sir Richard, in stark contrast to his professed confidence that Mr Waldegrave was not duplicitous, also insists "Mr Waldegrave knew, first hand, the facts that, in my opinion, rendered the 'no change in policy' statement untrue".

The judge's case against Sir Nicholas is almost as comprehensive as that against Mr Waldegrave.

As attorney general, he was responsible for a series of ministers signing public interest immunity or PII certificates, which were designed to withhold documents from the 1992 trial of three directors of Matrix Churchill, the machine tool company.

They were prosecuted for exporting military equipment to Iraq, in breach of the UK government's supposed embargo.

The proceedings collapsed after it was disclosed that the government knew of the exports.

Sir Richard makes a barrage of

criticisms about Sir Nicholas's interpretation of legal precedent in his use of the PII certificates. The response of the government and Sir Nicholas is simply to say that the report is wrong, that asserted legal experts have consistently backed their approach and that Sir Richard is not a recognised expert in this area.

But underlying this debate on legal niceties is a more serious complaint: that the government arrogantly and unthinkingly put a premium on secrecy in relation to any activities in the defence field.

Even when it was clearly in the interests of justice for documents to be disclosed in a court case to assist the defendants, and when disclosure posed no possible threat to national security or the more fundamental interests of government, papers were withheld.

Such was the culture of secrecy. Ministers did not even bother to read the documents they chose not to pass to the court.

Only Mr Michael Heseltine, now deputy prime minister, had reservations about signing the PII certificate, and receives great praise from Sir Richard for his stance. But his consciousness serves to tarnish others who did sign, such as the chancellor, Mr Kenneth Clarke, the foreign secretary, Mr Malcolm Rifkind, and the social security secretary, Mr Peter Lilley - although they were cleared of any conspiracy.

The incident also furnishes Sir Richard with his most telling attack on Sir Nicholas, who is criticised for failing personally to ensure that Mr Heseltine's concerns were raised with the Matrix Churchill judge. "I do not accept that he [Sir Nicholas] was not personally at fault," Sir Richard says.

Sir Richard's clear preference is for openness and transparency in government. But if ever there was a sign that his views have not been heeded it has been in the manner in which the government has responded to his report.

With the benefit of eight days to study it - compared with just three hours for two nominated individuals from Labour and the Liberal Democrats - the government publicly machine-bombed journalists and MPs with papers and briefings identifying the small number of phrases helpful to its cause.

Many of the points it made would have been more appropriate had they been put out by the Conservative party's central office. But a

run-up to the general election - have the difficult task of persuading the UK electorate that Mr Major's refusal to sack Mr Waldegrave and Sir Nicholas is a scandal.

Whatever resonance the Scott report has in the Commons, it is highly technical and complex. Many people will probably agree with the Sun newspaper's analysis of "10 things you can do with the report", such as "resurface the M6... the 2,400 pages laid end to end would stretch a third of a mile".

But only if the opposition parties can generate public outrage is there any possibility of Tory MPs breaking ranks and voting against the government in a debate on the affair on Monday week.

The scale of the challenge was summed up by Sir Teddy Taylor, the often rebellious Tory MP for Southend East yesterday. He had no doubt that Sir Richard's criticisms were telling. "The report says you were seen throwing a brick through a window, I have a photograph to prove you threw a brick through a window, but you didn't realise it was a brick or a window."

Would he therefore vote with the opposition? "I think it will be very difficult for the traditional troublemakers to cause trouble on this," he said. This, he said, was because of Sir Richard's conclusions that Sir Nicholas and Mr Waldegrave acted with the best of intentions.

Many MPs are therefore convinced that the government's real triumph - particularly after last summer's leaked extracts from the draft which severely criticised Mr Waldegrave - was in persuading Sir Richard of the ministers' integrity.

## Escape after the storm

Ministers' heads are unlikely to roll after the Scott report because of two crucial phrases supporting their integrity, says Robert Peston



How the FT broke the story in 1989

### Matrix-Churchill admits machinery sales to Iraq

By Nick Garnett and Richard Donkin

**MATRIX CHURCHILL**, the Coventry-based machine tool company named in the BNL affair, yesterday confirmed it had sold to Iraq

to Iraq and Iran. Both these forbid supply of lethal weapons or equipment that could significantly enhance the military capacity

somewhat subjective analysis of the report had the imprimatur of Downing Street and other government departments, which are not supposed to stray into party conflicts.

However, the stakes were high for the government. In the great parliamentary game, the media's first impressions, especially the initial line taken in television news broadcasts, can be very important in determining whether ministers survive.

And the widespread and almost immediate view among newspaper and television journalists that the ministers were safe was a significant achievement for the government.

**N**ow Labour and the LibDems - in a joint campaign which is likely to herald further co-operation in the run-up to the general election - have the difficult task of persuading the UK electorate that Mr Major's refusal to sack Mr Waldegrave and Sir Nicholas is a scandal.

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## LETTERS TO THE EDITOR.

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5936 (please set fax to "ring"). E-mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

**Russia should repay old bonds before new issue**

From H. Dunkelman.

Sir, Your article about Russian bonds ("Russia set to raise \$500m from first Eurobonds", February 9) failed to mention that there are still several series of imperial Russian bonds awaiting redemption.

Following the 1917 revolution they were disavowed by the new Soviet government but, now that there is an independent Russian government again, surely the principal and interest outstanding on those issues should be settled before any new bonds are sold.

There are two interesting historical aspects to the imperial bonds. One series in my possession had interest payment coupons attached and these were duly detached up until the date of the revolution. The remaining coupons, an unfulfilled promise for the future, are a picturesque reminder of how quickly the fortunes of a country (and a bondholder) can change.

In 1983 a class action was entered in the US district court in New York for the repayment of the principal and interest on the bonds. The plaintiff - and this is absolutely true - was Carl Marks & Co Inc, et al and the defendant was the Union of Soviet Socialist Republics. (Carl Marks & Co is a well-established New York firm.)

H. Dunkelman,  
The Common Cottage,  
Grafton,  
Oxfordshire OX18 2RY.  
UK

**Independence of central banks wrong objective**

From Dr Bimal Prodhan.

Sir, The ECU convergence criteria of budget deficit, inflation, and public debt are at odds with the objective of an independent central bank.

By definition an independent central bank must look after the economic interests of the country in question, irrespective of what the consequences of that policy might be on currencies of other EU

countries. Hence if a common currency is the objective, should we not jettison the independence of central banks as an objective?

Bimal Prodhan,

senior lecturer,

department of accounting and

finance,

University of Hull,

Hull HU6 7RX, UK

**Hanson's solution courageous**

From Mr Philip G. Turner.

Sir, Hanson is the subject of a lot of criticism at present. It has been suggested that it is a dinosaur. If dinosaurs are thought of as ferocious, formidable and awesome, then no description has applied better to Hanson or to its chairman. If it means large bulk and little brain, it is mistaken and insulting.

All successful companies, and Hanson has been emphatically that, must reach a growth plateau sometimes and Hanson clearly has levelled out for the moment.

Characteristically, Lord Hanson has proposed a bold and courageous solution to answer the challenge of future growth. You invested in

accounting standards are good and which bad? If professional accountants can be trusted to form their own view on this question, why have compulsory standards?

D.R. Myddleton,

Cranfield School of Management,

Cranfield, Bedford MK43 0AL, UK

**A delicate question of standards**

From Professor D.R. Myddleton.

Sir, David Cairns (Letters, February 12) writes with authority on international accounting standards. But when he asks for good American standards to be distinguished from bad, he puts his finger on a delicate point.

Who is to decide which

**No attempt to recover sums lost in Irish beef affair**

From Mr Jonnie McCarthy.

Sir, Your editorial, "Irish beef" (February 7) may have performed a valuable public service if it assists the Irish government to come to terms with its responsibility for the proposed fine of £100m plus imposed by the European Union against Ireland for its breaches of EU regulations.

The leader correctly apportioned the blame and flagged the reason for the EU's proposed fines as being "the extent of the Irish government's failure to police its own market".

Article 5 of Council Regulation 229/70 is clear and unambiguous: terms lay down the government's duties and obligations to "prevent and deal with irregularities" and to "recover sums lost as a result of irregularities".

In the matter of the recovery of funds lost in 1990 and 1991, for which the EU proposes to fine Ireland £100m plus, to date the Irish government has not recovered as much as one penny from the parties who benefited from the irregularities in the first instance.

Worse than that, despite the government's obligation to take the measures necessary to recover the sums lost in 1990 and 1991, to date the government has not even issued one plenary summons in an effort to attempt to recover the sums lost.

Jonnie McCarthy,

18 Lansdowne Road,

Dublin 4, Ireland

### MAJOR TIMBER PROCESSING BUSINESS FOR SALE

The Government of South Australia is seeking Expressions of Interest from Australian and international parties who wish to consider acquiring Forewood Products Pty Ltd ("Forewood") and its operating assets.

The business of Forewood includes:

- (1) timber milling and processing facilities at Mount Gambier, Naracoorte and Mount Burr in the south-east of South Australia;
- (2) production and marketing of sawn and engineered timber products (including laminated veneer lumber products);
- (3) production of furniture-quality timber and furniture components; and
- (4) medium and long-term supply contracts for raw material.

Forewood has a highly skilled workforce of approximately 900 and is Australia's leading manufacturer and marketer of timber engineered products.

Expressions of Interest are sought for the acquisition of Forewood by sale of all of Forewood's issued shares which are held by the South Australian Timber Corporation and for land, buildings, plant and equipment currently leased to Forewood by the South Australian Timber Corporation.

In addition to expressing interest in Forewood with the current log supply arrangements, parties are invited to make optional offers for Forewood with extended period log supply contracts.

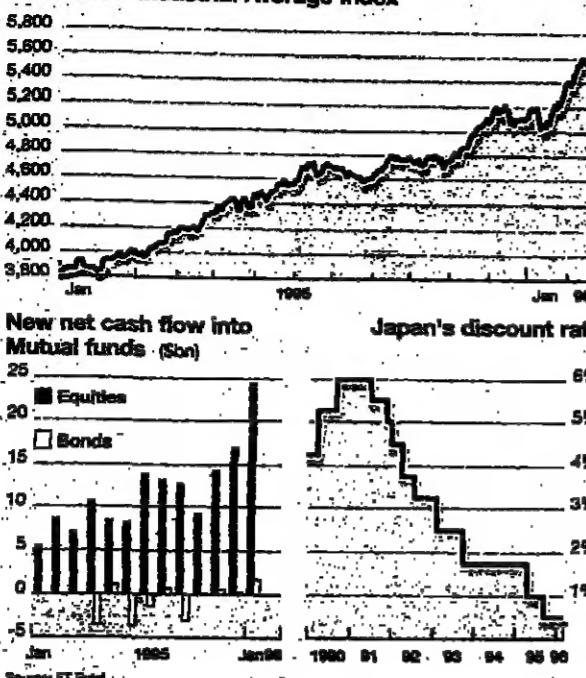
Expressions of Interest should contain:

## COMMENT &amp; ANALYSIS

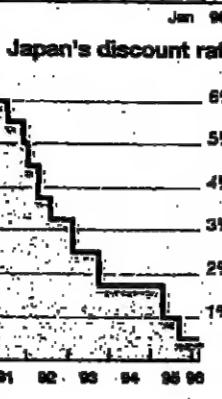
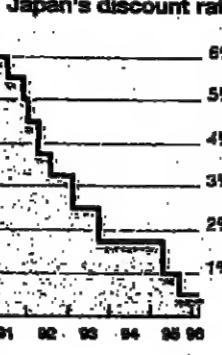
Wall Street: is there further to go?



Dow Jones Industrial Average Index



Source: FT Data



# Wall Street nervous in the bull ring

The money tap is flooding the US market, says Tony Jackson

**A**nyone who is not nervous about Wall Street these days has not been paying attention. It was only last November, after all, that the Dow Jones index shot through the historic barrier of 5,000. Last week it touched 5,500. This week it touched 5,600.

This extraordinary rise prompts three obvious questions: How much further can the market go? When it stops, will it crash? And will other world markets follow suit?

The answers, in that order, are: nobody knows; probably not; and yes, but with luck not for long.

The chief force driving the market in recent months is liquidity: in plain terms, the flood of cash looking for a home. Last year there was much debate on whether the market was overvalued on fundamental grounds. But by this stage, normal valuations scarcely apply. As one New York fund manager puts it, "Given the money coming in, any level will do".

So where is the money coming from? A variety of sources, it seems, not all of them reliable in the long run. First, the American public continues to pump cash into the market through the purchase of mutual funds – some \$25bn (£17bn) net last month alone.

This seems unlikely to last. Optimists have argued that middle-class insecurity –

so-called white-collar shock – means people are saving more against the threat of unemployment. The snag is that the savings ratio has not risen in proportion. Instead, people seem either to be switching their money from other types of asset – such as bonds or real estate – or borrowing it to buy stocks. Either way, the process is finite.

Another source of cash is the corporate sector. At a time of rising profits companies have large amounts of cash in their coffers. Normally they would be spending it on expansion; but this time, while capital spending is high in absolute terms, it is not enough to soak up surplus liquidity.

Much of the resulting liquidity is being spent on stock buybacks. Some is also going on acquisitions, which are running at a record level. And presumably – although this is difficult to track – corporate treasurers are putting some of it into the market directly.

The reasons for the corporate cash mountain are debatable. Ms Cornelia Small, global equity strategist at the fund manager Scudder, Stevens & Clark, says it is partly due to America's gradual evolution from a goods-based economy to one based on information. In the long run, an information-based economy needs less capital to operate since it relies less on physical plant and inventories.

In the shorter run, corporations also have little incentive to expand. The rise of global competition has done much to suppress inflation, since spare capacity is always on tap from elsewhere in the world. But the same phenomenon makes it less attractive for US companies to add capacity at home.

A third flow of cash comes from overseas, particularly Japan. This is an indirect process, since there is little evidence of foreign buying of US equities. But there is strong foreign buying of Treasury bonds, which helps depress bond yields and thus pushes up stock prices. In part, this is because the Japanese government keeps buying dollars in an attempt to depress the yen, and parks the money in US Treasuries. It is also because Japanese interest rates have been lowered almost to vanishing point in an attempt to prod the economy out of recession.

It is thus possible to borrow money very cheaply in Japan and switch it to the US for a higher return. As a source of funds, this cannot be counted on. When the Japanese economy picks up, as eventually it must, interest rates will rise and Japanese cash will be

called back home to fund the recovery.

There is another risk. At present, the US stock and bond markets are in a curious state of equilibrium. Both appear to believe in the so-called Goldilocks scenario, in which the US economy, like the porridge in the fable, is neither too hot nor too cold.

**T**hus the bond market is happy because it sees a recession coming. The stock market is happy because it expects another year of growth in corporate earnings. In real life, this balance is unsustainable. Either the economy will tip further into recession, in which case the stock market will take flight or the economy will pick up speed, in which case the bond market will suffer, and the stock market along with it.

At some point, then, Wall Street's money tap is going to get turned off. What will the result be? Another crash of '87?

There are two reasons for thinking otherwise. The first is one of history. In 1987, the market astonished itself by falling 23 per cent in a day. Then went on to new heights. The incident is engraved on investors' minds, and they are the less likely to panic next time.

The other reason is that the market is not absurdly overvalued on conventional grounds.

In the summer of 1987, there were plenty of commentators pointing out that the price of stocks versus bonds, for instance, was unreasonably high. Today, by yardsticks such as earnings multiples or the ratio of stock prices to book values, the market is by general consent at the top of its range, but not beyond it.

The end of the bull run should therefore be a quieter affair. At one extreme, it could consist simply of prices standing still for a year or two. At the other, it could produce a full-scale correction, say of 10 per cent. Since this would mean a fall of more than 500 points – the same as in 1987 – it could hit the headlines; but the substance will be very different.

That kind of fall would certainly unsettle foreign markets. Those who recall the 1987 crash will remember the so-called "Mexican wave" effect, whereby markets, with the conspicuous exception of Japan, crashed around the globe according to time zones.

London, in particular, seems oddly incapable of breaking its slavish dependence on Wall Street from day to day, however different the domestic circumstances.

## The battle for the president's soul

A Yeltsin win would be no guarantee of Russian renewal, says Chrystia Freeland



Safaris from presidential contenders Boris Yeltsin (left) and Gennady Zyuganov

**W**estern leaders, who rushed this week to back Russian President Boris Yeltsin in his bid for re-election, appear to be treating June's presidential ballot as a straightforward contest between the reformist Mr Yeltsin and his strongest rival, the Communist leader Mr Gennady Zyuganov.

Yet to Russians, the battle lines seem far less clearly drawn. Most Russian observers agree their country is in the midst of a decisive struggle between liberal reforms and the resurrection of an authoritarian system. But they say the dividing line is not located in the space separating Mr Yeltsin and Mr Zyuganov; the real battle is within what Russian analysts call Mr Yeltsin's "soul" – and they fear his darker instincts are winning.

On the campaign trail in Ekaterinburg in the Urals this week, these warring inclinations were on display as Mr Yeltsin wavered between playing a modern, flesh-pressure politician and an old-fashioned autocrat.

On the one hand, his campaign launch self-consciously mimicked the sentimental rituals of US presidential campaigns. Mr Yeltsin journeyed to his "homeland" to make the formal announcement of his candidacy and underscored his personal links with the industrial heartland by visiting his father's grave. Throughout his whirlwind tour of the city, he threw himself into the crowds of curious bystanders with such zest that when it was time to make his long-awaited address his voice had been reduced to a hoarse growl.

And, in an outburst of the populist exuberance which is Mr Yeltsin's greatest political strength and his most serious liability, the Kremlin chief repeatedly diverged from his written text to offer romantic advice to the love-lorn girls of Ekaterinburg, make extravagant spending promises and castigate nouveau riches entrepreneurs who can afford holidays in Cyprus or Corfu.

But Mr Yeltsin's "ordinary Ivan" performance periodically gave way to glimpses of an authoritarian character who seemed distantly related to Ivan the Terrible.

Ekaterinburg was sanitised for his visit as carefully as Soviet cities were once prepared for the arrival of the

general secretary of the Communist party: roads were meticulously cleared of snow, and hand-picked crowds of loyalists were assembled on freezing street corners in case Mr Yeltsin should choose to go on a walkabout. It was said that bottled water had been specially supplied to protect the Russian leader from the vagaries of a sewage system he helped to construct when chief of the regional administration.

Even more worrying was his apparent belief that, as president, his personal powers are almost as limitless as the authority of the tsars. In the middle of his campaign speech, he ordered the regional governor to sack the president of a local private enterprise because the businessman was allegedly drawing too high a salary. "Do it by tomorrow," Mr Yeltsin barked.

His vacillation between authoritarianism and democracy can be traced to his complicated political evolution. The support Mr Yeltsin has received recently from the west suggests that he is still viewed as the champion of democracy who broke up the Soviet Union and dismantled communism.

But it is also true that before he became a democratic rebel, Mr Yeltsin was a highly successful Communist party functionary. Indeed, in one of the sharpest ironies of the presidential race,

Mr Yeltsin, who climbed to the giddy heights of Politburo membership, was a far more senior figure in the Communist party of the Soviet Union than his left-wing rival for the presidency, Mr Zyuganov. Now the leader of the Communist party of the Russian Federation, Mr Zyuganov was an unknown, middle-level apparatchik when the Communists still ruled the USSR.

In substance as well as in style, Mr Yeltsin appears to be drifting back to the politics of this earlier era. He no longer describes himself as the leader of Russian reforms. Instead, in Ekaterinburg he sought to position himself as the centrist candidate who could balance between "extreme" reformers and "revanchist communists".

This rhetorical shift has been accompanied by a sharp change in the Kremlin's political and economic course.

Most of the leading reformers have been sacked from the government and replaced with conservatives. Mr Yeltsin has dropped last year's fiscal austerity and begun to make new spending promises at almost every public appearance.

Tariff barriers are going back up and Mr Yeltsin's officials have begun to suggest re-nationalising key enterprises which were privatised during his earlier incarnation as a radical reformer.

For some of Mr Yeltsin's democratic

allies, this latest shift has been the last straw. As Mr Sergei Kovalev, former head of the president's council on human rights, explained in an eloquent letter of resignation: "It is sad for me that you have lost your soul, that you are unable to evolve from a Communist party secretary into a human being."

Mr Kovalev went on to argue that Mr Yeltsin's metamorphosis meant there was now little to choose between the president and his leftist rivals: "Today you call yourself the only alternative to Zyuganov and Zhirinovsky, but in vain, since you now have more features in common with them than differences. And if we have to choose among you, it will be like choosing between two mafia organisations to apply to for protection."

Not all Russian politicians and business executives agree with Mr Kovalev. Some argue that, no matter what his flaws, Mr Yeltsin is preferable to a Communist president who might nationalise property, abrogate democratic freedoms and return to an expansionist foreign policy.

"No one realises how dangerous the Communists are. But these are real Communists, they are committed to collective ownership," says Mr Kukha Bendukidze, a Moscow entrepreneur who has bought up some of Russia's most valuable companies through the privatisation programme.

The presidential elections on June 16 will be a watershed in the development of Russian democracy. If it goes ahead, the ballot will be the first opportunity the citizens of a sovereign Russia have ever had to elect their head of state.

But for many Russians, their joy in the strengthening of democracy is tempered by their belief that Russia's first free choice will be between a latter-day tsar and a neo-Communist.

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## MARKETS REPORT

**Rand plunges**

By Philip Gavith

The South African rand's post-apartheid honeymoon came to a sharp halt yesterday as heavy selling drove it to a record low against the dollar.

The rand's fall was prompted by a crescendo of rumours about the abolition of exchange control, and the health of President Mandela.

Following a remarkably steady performance for nearly a year after the abolition of the financial rand (investment currency) last March, the rand yesterday fell off the cliff. It plummeted as low as R3.88 against the dollar, before recovering to finish in London at R3.784, from R3.665.

The fall in the rand came against the backdrop of, and contributed to, a weaker dollar, which finished at DM1.4617, from DM1.4713. Against the yen it closed at Y105.94, from Y106.11.

A series of weak economic

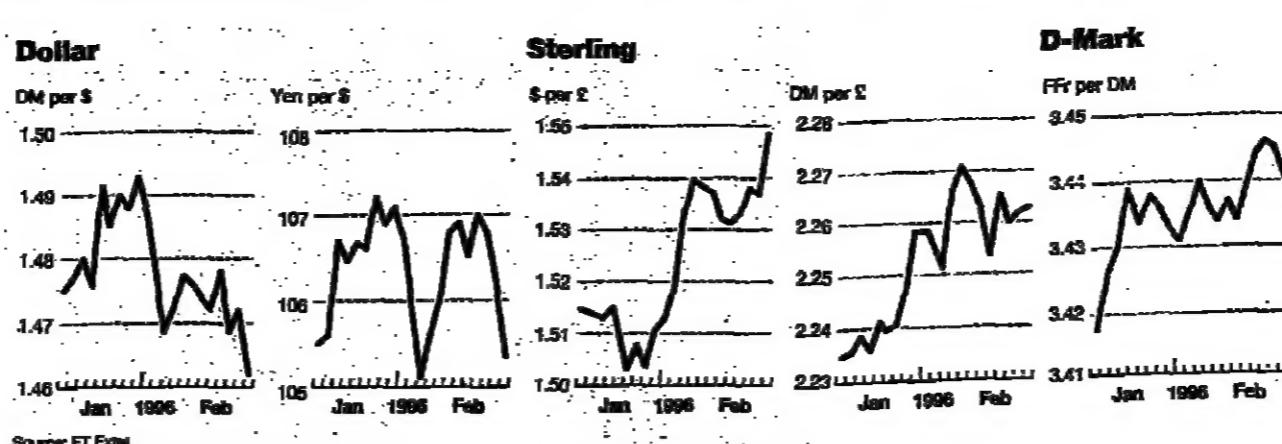
figures recently have not helped the dollar. It has also been the victim of a renewed trend among investors to retreat back towards the traditional safe haven currencies - the D-Mark, yen and Swiss franc.

The plunge in the rand was a classic market panic. There was no substantial news development to prompt it, simply an aggregation of rumours which

had built up over recent days.

Selling started in London on Thursday, and then picked up momentum yesterday. One large US investment bank was cited as a heavy seller.

Three points stand out. First, many economists felt the rand was anyway due for correction.



A year ago, nobody would have predicted that the unified rand would trade so steadily. Indeed, with the nominal rate flat against the dollar, and South African inflation running about 5 percentage points higher, there had been a real appreciation of the currency.

Second, although rumours about Mr Mandela's health always damage sentiment, the main factor in yesterday's moves was the talk about relaxation of exchange control.

Third, the fall in the rand needs to be seen in the context

of wider currency market developments, where there is a general retreat by investors from the high-yielding markets that were favoured in the early weeks of the year. This includes the rand, but also some other exotic currencies, and European currencies like the Italian lira.

Mr Avinash Persaud,

currency strategist at JP Morgan in London, said: "We have returned to a period where the market is much more risk averse, much more circumspect than it was."

He said it was the market's mood that had changed, rather than the underlying fundamentals, or outlook for German, Japanese or US monetary policy. The market, however, was clearly unnerved by the comments on Thursday from Mr Wataru Kubo, the Japanese finance minister, about the possibility of higher interest rates in Japan.

Mr Persaud said the fact that currencies as diverse as the rand, rouble and lira were all falling prey to the same trading patterns showed how

generalised they had been in the first place.

Mr Constantin Vayenas, the UBS analyst who wrote a report earlier this week saying the rand was 7-10 per cent overvalued against the dollar, said the manner of yesterday's correction had been out of all proportion to South Africa's good economic fundamentals. The report had predicted the rand slipping to R3.75 by the year end. Mr Graham Bell, economist at Standard Bank in London, said a R3.70 trading range now seemed likely.

WORLD INTEREST RATES											
MONEY RATES											
February 16	Over night	7 days	One month	Three months	Six months	One year	Lombard	Dis. rate	Repo rate		
Belgium	3.11	3.11	3.11	3.11	3.11	3.11	7.00	3.00	-	-	-
week ago	3.11	3.11	3.11	3.11	3.11	3.11	7.00	3.00	-	-	-
France	4.45	4.45	4.45	4.45	4.45	4.45	4.45	3.50	-	-	-
week ago	4.45	4.45	4.45	4.45	4.45	4.45	4.45	3.50	-	-	-
Germany	3.45	3.45	3.45	3.45	3.45	3.45	5.00	3.00	3.30	-	-
week ago	3.45	3.45	3.45	3.45	3.45	3.45	5.00	3.00	3.30	-	-
Iceland	5.14	5.14	5.14	5.14	5.14	5.14	5.14	-	-	-	-
week ago	5.14	5.14	5.14	5.14	5.14	5.14	5.14	-	-	-	-
Italy	1.07	1.07	1.07	1.07	1.07	1.07	9.95	9.95	-	-	-
week ago	1.07	1.07	1.07	1.07	1.07	1.07	9.95	9.95	-	-	-
Netherlands	3.11	3.11	3.11	3.11	3.11	3.11	3.11	3.11	3.11	-	-
week ago	3.11	3.11	3.11	3.11	3.11	3.11	3.11	3.11	3.11	-	-
Switzerland	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	-	-
week ago	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	-	-
US	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53	-	-
week ago	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53	-	-
Japan	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	-	-
week ago	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	-	-

\$ LIBOR Interbank Floating rates are offered rates for \$10m quoted to the market by four reference banks at 11am each working day. The banks are: Barclays Trust, Bank of Tokyo, Mizuho and National Westminster.

Mid-rates are shown for the domestic Money Rates. Lbs Cds, ECU and SDR Linked Deposits (Dls).

Short term rates are for the US Dollar and Yen; others are two-day notices.

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Active	Rating	M	Yield	Price	Active	Rating	M	Yield	Price	Active	Rating	M	Yield	Price	Active	Rating	M	Yield	Price	Active	Rating	M	Yield	Price	
Barclays Friends Friendly Society Limited - Cash					London & Manchester Assurance (2)					National Westminster Life Assets Ltd - Capital					Prudential Corporate Pensions Funds					Southern President Institutions - Contd.					J. D. Ward Financial Services Ltd
Barclays Friends Friendly Society Limited - Income					Life Funds					Security Managed	1952	198.8	+0.1		Life Funds (Contd.)					Other Funds					10 Little Broad St, London EC2A 7JW
HFS Managed Fund 1 (Income)					Life With Profits Cap	1953				Equity Managed	1953	198.3	-0.1		Global Funds (Contd.)					J.D. Ward Mgt Fund	191.4	+0.5			0171 726 4057
HFS Tax Efficient Income 1	211.2	222.4			Life With Profits Acc	1954				Equity Managed Fund	1953	198.3	-0.1		Small Stocks	1950				Proprietary Acc.	154.5	372.7	+1.7		
Ideal Benefit Society					Life With Profits Fund	1955				Equity Managed Fund	1954	198.3	-0.1		Small Shares	1951				Proprietary Acc.	152.1	230.2	+0.6		
Major Green Group, Standard Life	117.3	117.3			Life With Profits Fund	1956				American Equity	1957	125.0	+0.2		Corporate Bonds	1952				Proprietary Acc.	152.1	230.2	+0.6		
President Managed Fund	185.3	185.3			Life With Profits Fund	1957				Corporate Bonds	1958	125.0	+0.2		Corporate Bonds	1953				Proprietary Acc.	152.1	230.2	+0.6		
Irish Life Assurance Co Plc					Life With Profits Fund	1958				Corporate Bonds	1959	125.0	+0.2		Corporate Bonds	1954				Proprietary Acc.	152.1	230.2	+0.6		
Victoria St, St. Albans, Herts, SG1 3TF					Life With Profits Fund	1959				Corporate Bonds	1960	125.0	+0.2		Corporate Bonds	1955				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1960				Corporate Bonds	1961	125.0	+0.2		Corporate Bonds	1956				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1961				Corporate Bonds	1962	125.0	+0.2		Corporate Bonds	1957				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1962				Corporate Bonds	1963	125.0	+0.2		Corporate Bonds	1958				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1963				Corporate Bonds	1964	125.0	+0.2		Corporate Bonds	1959				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1964				Corporate Bonds	1965	125.0	+0.2		Corporate Bonds	1960				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1965				Corporate Bonds	1966	125.0	+0.2		Corporate Bonds	1961				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1966				Corporate Bonds	1967	125.0	+0.2		Corporate Bonds	1962				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1967				Corporate Bonds	1968	125.0	+0.2		Corporate Bonds	1963				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1968				Corporate Bonds	1969	125.0	+0.2		Corporate Bonds	1964				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1969				Corporate Bonds	1970	125.0	+0.2		Corporate Bonds	1965				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1970				Corporate Bonds	1971	125.0	+0.2		Corporate Bonds	1966				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1971				Corporate Bonds	1972	125.0	+0.2		Corporate Bonds	1967				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1972				Corporate Bonds	1973	125.0	+0.2		Corporate Bonds	1968				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1973				Corporate Bonds	1974	125.0	+0.2		Corporate Bonds	1969				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1974				Corporate Bonds	1975	125.0	+0.2		Corporate Bonds	1970				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1975				Corporate Bonds	1976	125.0	+0.2		Corporate Bonds	1971				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1976				Corporate Bonds	1977	125.0	+0.2		Corporate Bonds	1972				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1977				Corporate Bonds	1978	125.0	+0.2		Corporate Bonds	1973				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1978				Corporate Bonds	1979	125.0	+0.2		Corporate Bonds	1974				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1979				Corporate Bonds	1980	125.0	+0.2		Corporate Bonds	1975				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1980				Corporate Bonds	1981	125.0	+0.2		Corporate Bonds	1976				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1981				Corporate Bonds	1982	125.0	+0.2		Corporate Bonds	1977				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1982				Corporate Bonds	1983	125.0	+0.2		Corporate Bonds	1978				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1983				Corporate Bonds	1984	125.0	+0.2		Corporate Bonds	1979				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1984				Corporate Bonds	1985	125.0	+0.2		Corporate Bonds	1980				Proprietary Acc.	152.1	230.2	+0.6		
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Standard Life					Life With Profits Fund	1990				Corporate Bonds	1991	125.0	+0.2		Corporate Bonds	1986				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1991				Corporate Bonds	1992	125.0	+0.2		Corporate Bonds	1987				Proprietary Acc.	152.1	230.2	+0.6		
Standard Life					Life With Profits Fund	1992				Corporate Bonds															

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# OFFSHORE AND OVERSEAS

**BERMUDA (SIB RECOGNISED)**

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<b>MANAGED FUNDS NOTES</b>	
Notes are in current currency denominated and thus designated \$ when no note refers to U.S. dollars.	Notes \$ allow for all buying expenses.
Notes of certain older insurance linked plans subject to capital gains tax on sale.	
• Funds not SII recognized. The regulatory authorities of some funds are:	
- Prudential Monetary Authority	
- Financial Services Commission	
- Central Bank of Ireland	
- Isle of Man - Financial Services Commission	
- Jersey - Financial Services Department	
- Luxembourg - Institut Monétaire Luxembourgeois	
- Charge - Charge made on sale of units.	
- Selling price - Net of redemption price.	
- Buying price - Offer or base price.	
- Premium - The amount management fee fund manager's is the amount of the fund's valuation point arises determined by one of the following symbols:	
- 0 - 0001 to 1100 basis	
- 1 - 1101 to 1400 basis	
- 2 - 1401 to 1700 basis	
- 3 - 1701 to 2000	
- Exit charge on sale of units.	
- Manager's periodic charge deducted from capital.	
- Historical pricing ? - Forward pricing.	
- Distribution free of UK taxes.	
- Periodic premium insurance plan.	
- Single premium insurance plan.	
- Valued as a UATIS Arrangement for Collective Investment in Transferable Securities.	
- Offered price includes all expenses except agent's commission.	
- Previous day's price.	
- Quotation price.	
- Yield before Janus tax.	
- Ex-distribution - ex-Dividend.	
- Dividend estimate to charitable bodies	
- Yield column shows annualized rates of NAV increase.	



## AMERICA

**Dow recovers from early 50-point fall**

## Wall Street

US shares extended their recent string of losses as figures on industrial production were slightly stronger than expectations provoking some weakness on the bond market, writes Lisa Branster in New York.

By 1pm the Dow Jones Industrial Average was 35.76 lower at 5,515.61 and the Standard & Poor's 500 was off 1.96 at 504.36. The American Stock Exchange composite fell 0.74 to 539.62. NYSE volume was heavy at 276m shares.

Technology stocks were mixed: the Nasdaq composite, which is weighted toward that sector, was virtually flat with a

rise of 0.57 at 1,091.11. The market will be closed on Monday in observance of President's Day.

At 10.23, the Dow fell by more than 50 points, triggering the "upick rule" which restricts program selling, but by 11.02 the trading curbs were removed as the Dow returned to within 25 points of Thursday's close.

Mr Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, attributed yesterday's losses to the options expiration known as "double witching" and to a healthy pull back from the rally that sent the Dow up 227 points in seven sessions until Wednesday.

"We had 6 record days in a row and all but the last were

pretty substantial gains, so we were due for a little bit of cooling off," he said.

US Treasuries were also volatile yesterday and exerted a strong influence on stocks. Bonds were lower in early trading in part because figures on industrial production and capacity utilisation - while still indicating that the economy was slowing - were not as weak as the analysts' consensus.

Hewlett-Packard managed to buck the downward trend and end 574/8 or 9 per cent to 933/8 after reporting strong first quarter earnings.

Circle K jumped 574/8 or 36 per cent to \$23.90 after Tosco agreed to buy the retailer for \$710m or \$29 a share.

## EUROPE

**Milan consolidation runs out of steam**

A concerted early attempt at a consolidation run out of steam in MILAN as President Oscar Luigi Scalfaro began the process to dissolve parliament, opening the way for an early, but probably inconclusive, election.

The Comit index picked up 0.04 to 505.00, down 5.2 per cent on the week, while the real-time Mibtel index turned back from the day's high of 9,763 to finish 130 lower at 9,534. Analysts noted heavy technical trading related to the extension of a five-day rolling settlement system to all stocks listed on the market.

Fiat finished 18 lower at 15,238, off a high of 15,390, after January figures for commercial vehicle sales showed an Italian market share increased to 58 per cent from 50 per cent previously. Olivetti, firm for much of the day on 1995 sales 8 per cent higher and a positive profits forecast, ended 142 lower at 12,170.

Montedison gave up 113 to 1,943.20 on Thursday's news of a final quarter 1995 loss from its Montell joint venture.

FRANKFURT curtailed slightly to the weakening Dow as bonds tracked Treasuries lower and the dollar fell below DM1.48 for a while. The Dax index finished a point 2.1 lower at an indicated 3,143.10, down 0.5 per cent on

the week, as turnover flattened out at DM8.1bn.

Kurstadt, Germany's biggest department store retailer, rose another DM11.80 to DM78.60, up 4.9 per cent over three days while the figures were above expectations, there were doubts about 1996 earnings potential.

Royal Dutch continued to suffer weakness following a disappointing earnings announcement also on Thursday, and the stock declined DM1.60 to DM30.20. Societe Generale summed up the mood of the investment community when it remarked in a bulletin yesterday, "Appalling fourth quarter - amazing (one-off) dividend increase". The broker suggested that the dividend increase should be seen simply as a one-off adjustment, while "long-term policy remained one of rises which simply compensate shareholders for inflation."

Hagemeier, the trading company, which becomes an AEX constituent next week, bucked the trend with a rise of F1.230 to F198.00.

AMSTERDAM was pressured by the expiry of options and the AEX lost 2.60 to 508.65, a week's gain of 1.4 per cent.

There was some activity in Philips following its 1995 results on Thursday and profits were taken which left the stock off 50 cents at F1.65.90.

Analysts remarked that

RJR Nabisco rose 574/8 to \$32.75 as investors waited to hear if Mr Bennett LeBow, the corporate raider, would succeed in his bid to win shareholder support for a break-up of the tobacco and food group.

**Latin America**

MEXICO CITY was encouraged by GDP data for 1995 which lifted the IPC index 18.45 or 0.6 per cent to 2,964.82 by mid-session. Dealers said that it had not been for the weak opening on Wall Street the market would have been higher.

SAO PAULO, in pre-holiday carnival mood, let the Bovespa index slip 1,144.09, or 2.2 per cent to 51,593 by midday. The market is closed from next

Monday to Wednesday. BUENOS AIRES took profits and the Merval index fell 11.51, or 2.1 per cent to 526.18 at mid-day.

## Canada

Toronto was propelled forward in early trade by the strength of the gold sector but, by mid-session, the advance was pared in volatile trade as investors adjusted portfolios. The TSE 300 composite index was 5.26 higher by noon at 5,031.85 in volume of 45.2m shares.

Echo Bay Mines, the gold group, rose 934/8 to C\$19 in spite of news that the US based Everen Securities had lowered its earnings estimates for fiscal 1996 and 1997.

**Singapore: safe haven with strong attractions**

Philip Coggan looks at 'the Switzerland of Asia'

Many a European country struggling to meet the Maastricht criteria for currency union would love to be in Singapore's position.

Inflation is only around 2 per cent. The island state runs a current account surplus and its government has a fiscal surplus. Its currency is one of the strongest in the world. And while economic growth is expected to moderate this year, gross domestic product should still rise by 8 per cent, beyond the wildest dreams of a European politician.

As a stock market, Singapore has also been performing well. Yesterday saw active fund buying and the Singapore Straits Times Industrial index (STII) rose 14.67 to 2,453.88 for a two-day gain of 2.2 per cent, down a fraction on the week after a period of consolidation. However, before then the STII had reached an all-time high of 2,503.96 at the start of the month, while during the dark days for emerging markets of 1994-95, the Singapore market outperformed the Pacific (excluding Japan) index by 20 per cent in dollar terms.

Having said all that, the Singapore market has a fundamental problem. It is simply too small to attract a significant weighting in a global investors portfolio. The country makes up only 0.6 per cent of the FTSE & P & W World Index. And the government's decision, announced this week, to postpone the flotation of Singapore Power - a move which would have created the exchange's second largest company - did nothing to improve the market's liquidity.

The shelving of the Singapore Power issue was something of a surprise, since it had been expected for some time that the company would be floated in the middle of the year. Mr Yeo Cheong Tong, minister for trade and industry, said, "Firstly, Singapore Power needs more time to complete its reorganisation and to make the translation from a government statutory board to a viable commercial group of companies.

Singapore also represents a safe haven in the region - "the

Switzerland of Asia" as some have dubbed it. There is no fear of a Mexican-style currency crisis; the Singapore dollar actually gained 6.6 per cent against the Japanese yen in 1995. Domestic savings are very high, bolstered by the compulsory savings scheme, the Central Provident Fund, which can absorb the equivalent of 40 per cent of a worker's wages.

Nor is Singapore dependent on low costs or low added-value operations for its economic growth. The spur behind the country's recent growth has been the electronics sector, with the worldwide interest in Microsoft boosting demand for personal computers to the benefit of Singapore, which specialises in disk drive manufacture.

Another big sector of the economy is financial services. Many years of investment in infrastructure has enabled the island to develop attractions as a regional hub for those interested in south east Asia, and the city may yet lure companies from Hong Kong, if the Chinese handover does not progress smoothly.

Mr Hung Quoc Tran, head of equities (Asia Pacific) at Deutsche Morgan Grenfell in Singapore, thinks that the Singapore market, already up 6 per cent since the start of the year, will continue to do well. While the phenomenal growth of the electronics industry is likely to slow, he likes the property sector, on the grounds that interest rates are likely to fall this year, and the banks, particularly United Overseas Bank and Overseas Union Bank.

The very stability of the Singapore market, which guided it safely through the storm of 1994-95, will probably mean that it is never going to be the star performer when Asian markets rally, as they seem to be doing this year. Nor is it really an emerging market - its GDP of \$24,000 per head makes it richer than Britain. But for those international investors willing to take an interest in a small market, it looks a quality long-term bet.

## ASIA PACIFIC

**Nikkei dips on investigation story**

## Tokyo

Worries among individual investors and brokerage dealers over a rumoured investigation of speculative issues by financial authorities depressed share prices and the Nikkei average closed down for the second consecutive day, writes Enzo Terazono in Tokyo.

The 250 index closed down 83.42 at 30,827.77 after trading between 20,580.63 and 30,834.76. Wall Street's decline on Thursday discouraged investors while the fall in the dollar fall also hurt investor confidence.

Technical buying and purchases of bank stocks eroded some of the earlier losses.

Volumes totalled 516m. The Topix index of all first section stocks fell 6.52 to 1,635.74 and the Nikkei 300 lost 0.73 to 300.70. Declines led advances by 132 with 133 unchanged.

In London, the ISE/Nikkei 50 index was down 4.80 to 14,070.60.

rumours that the Securities and Exchange Surveillance Commission had asked some brokerage houses to submit a

list of clients who had speculative favourites prompted a sell-off in the genre. Kanematsu-NKK fell Y130 to Y129 and Takara Shuzo dropped Y40 to Y120.

The government's housing loan balloon plan also dragged on sentiment, but later position adjustment prompted short covering of bank stocks.

High-technology stocks were mixed as some foreigners moved to sell their holdings. Kyocera slipped Y160 to Y16,860 on reports of sluggish shares of its personal handy phones, a limited use mobile phone. However Toshiba rose Y5 to Y265 and Fujitsu Y10 to Y1,100.

Buying by overseas companies helped steels. Nippon Steel, the most active issue of the day, rose Y1 to Y357 and Kawasaki Steel added Y2 to Y358. Large capital shipbuilders were weaker, with Mitsubishi Heavy Industries down Y10 at Y870. In Osaka, the OSE average fell 281.87 to 22,079.08 in volume of 68.4m shares.

**Roundup**

A upbeat mood continued to prevail in HONG KONG which saw out the final session of the lunar Year of the Pig at another 24-month high, amid hopes of a Year of the Rat rally when the market opens after the Chinese New Year holiday next Thursday. The Hang Seng index surged 23.18 to 11,554.98, its third consecutive day of 100 point-plus gains, which saw the market climb 2.5 per cent on the week. Turnover was a moderate HK\$6.1bn.

Infrastructure stocks were in demand, with Hopewell gaining 90 cents to HK\$5.90 on talk that it could sell a stake in its Crete infrastructure arm for HK\$11 billion.

SHANGHAI's hard currency B index jumped 1.54 or 2.3 per cent to 52,335, up 2.2 per cent on the week, largely on institutional window dressing ahead of the holiday that will keep the market closed until March 4.

SEIZHENZHEN's B index climbed 2.33 to 62.20, up 3.8 per cent on the day and the week.

KUALA LUMPUR was prodded higher by strong demand, especially for second and third line stocks and the composite index ended up 4.73

at 1,090.05, and 2.8 per cent higher on the week.

Analysts noted that the index was held back by losses in Ganting, down 70 cents to 592.30 and Resorts, 50 cents weaker at M\$14.20, after both gaming-based concerns reported disappointing 1995 results.

SEOUL was higher in active trade on demand for financial shares which have recently been attracting foreign interest. The composite index ended 5.68 higher at 578.03, a fraction up on the week.

JAKARTA saw some investors taking positions ahead of the holidays, foreign and local buyers continuing to accumulate some big caps and second-tier stocks as the composite index rose 4.76 to 559.53, up 2.5 per cent on the week.

SYDNEY ended with a 1.1 per cent gain on the week after a quiet day which saw the All Ordinaries index fall 1.20 to 2,297.30, and turnover from A\$712.5m to A\$826.5m.

WELLINGTON's NZSE-40 index put on 10.32 to 2,085.13, down 0.7 per cent on the week, as Telecom climbed by 7 cents to NZ\$36.39.

KUALA LUMPUR was prodded higher by strong demand, especially for second and third line stocks and the composite index ended up 4.73

at 1,090.05, and 2.8 per cent higher on the week.

Analysts noted that the index was held back by losses in Ganting, down 70 cents to 592.30 and Resorts, 50 cents weaker at M\$14.20, after both gaming-based concerns reported disappointing 1995 results.

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## LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talieman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

† Bargains at special prices. ♦ Bargains done the previous day.

## British Funds, etc

Treasury 13 1/2% Str 2000/03 - £125.2

(73F98)

National 10 1/2% Str 2005 - £119.4

(13F98)

Guaranteed Export Finance Corp PLC 12 1/2%

Gn Lnk Str 2002/Reg - £126 (13F98)

Corporation and County Stocks

Coveray Cny of 8 1/4% Ln Sp 2026 - £26.9

(14F98)

Dartford Borough Council 7 1/2% Ln

Str 2018 (Reg) - £37.5 - £38.5 (14F98)

Kensington & Chelsea Royal Borough 11.15%

Stratford 2006 - £116.2 (14F98)

Lewisham Cny 10% Red Str 19/10/2001 -

£120.4 (14F98)

Manchester City of 11.5% Red Str 2007 -

£120.4 (14F98)

Foreign Stocks, Bonds, etc

(coupons payable in London)

Hungary (Republic of) 7 5/8% Bds Based

AM-PLC 12% Bds 2001/05 - £56.7

ECS008/100000 - £125.2 (14F98)

Above National Sterling Capital PLC 8 1/2%

Subord Bds 2001/05 - £125.2 (14F98)

Above National Treasury Serv 3

Gd Bds 2001/05 - £103.4 (14F98)

Armenia National Bank 5% Str 2001 -

£100.000000 - £100.000000 (14F98)

Acor Incorporated 4% Bds 2001/05/100000 -

£82.65 (14F98)

Asta Finance Ltd 10 1/2% Cny Cap

Str 2002/Reg - £120.000000 (14F98)

BAA PLC 12% Bds 2001/05 - £123

2021B/100000/100000 - £125.4

BAC 2005/06/100000 - £102.5 (14F98)

BAC Group PLC 8 1/2% Bds 2004/05/Var -

£121.000000 (14F98)

Bardsey Bank PLC 10 1/2% Str 2001/05/Var -

£120.000000 (14F98)

Barclays Bank PLC 8 1/2% Unated Subord

Nts (Fr) 5% Var - £95.6

Barclays Corp PLC 9 1/2% Gld

B.A.T International Finance 8 1/2% Gld

B&G 2005/06/100000 - £99.9

BAC Group PLC 8 1/2% Bds 2004/05/Var -

£121.000000 (14F98)

Bardsey Bank PLC 10 1/2% Str 2001/05/Var -

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Bartschmann Schulte 10 1/2% Str 2001/05/Var -

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WEEKEND FT

# Weekend FT

## Argentina's rebel who lost his causes

Eduardo Crawley and Colin Harding examine the career of Enrique Gorriarán Merlo

**A** decree awaiting the signature of president Carlos Menem of Argentina is expected soon to pardon all the country's convicted terrorists - except one. That man is Enrique Gorriarán Merlo, who was tracked down last October after an extraordinary career of violence and intrigue spanning 20 years and two continents.

To his bands of armed supporters, Gorriarán was a freedom fighter trying to keep alive the revolutionary dreams of his compatriot Ernesto Che Guevara. Now, he seems a relic from the past. He was almost the last to keep up the armed struggle, long after less committed revolutionaries had been defeated, killed or given up.

Like Guevara, Gorriarán came from a conventional middle-class background in the Argentine city of Rosario, but political convictions gave both men an international vision. Whereas Guevara fought in Cuba and the Congo, finally dying in the Bolivian jungle in 1967, Gorriarán's most notorious exploit was in Paraguay in 1980 when he murdered a former Nicaraguan dictator.

He had taken part in the overthrow of General Anastasio Somoza by the Sandinistas revolutionaries in 1979, and was rewarded with a senior position in the new left-wing Nicaraguan security police, in charge of operations outside the country. One of his first missions was to track down Somoza to his bolt-hole in Asunción, the capital of Paraguay, which was firmly under the thumb of another long-serving dictator, General Alfredo Stroessner.

This was no easy task; Gorriarán was on the most-wanted lists of the right-wing military régimes that, in 1980, controlled all the surrounding countries: Argentina, Brazil and Bolivia. But Gorriarán and his team managed to slip into Paraguay, set up a safe house

in Asunción and started stalking their prey.

On September 17 1980 they struck. One of Gorriarán's men fired a rocket-propelled grenade at Somoza's car as he drove along a quiet suburban street. Gorriarán finished him off with his automatic rifle.

This was to be the high point of Gorriarán's career as an international revolutionary. Back in Mendoza, his Sandinista employers were so delighted that they granted Gorriarán the coveted title of "Comandante", a rare distinction for a foreigner.

He had insisted until then on being called by his nickname,

Gorriarán's first success as a secret policeman was to eliminate Pablo Salazar

"Pelado" (Baldy). But now even old friends were instructed to call him "Comandante Ricardo" (his nom-de-guerre). He lived in a luxurious mansion in Managua and took to driving around town in a Mercedes-Benz.

Gorriarán had come a long way since helping to found the People's Revolutionary Army (known by its Spanish acronym, ERP) in Argentina in 1968, at a time when small guerrilla organisations were springing up all over Latin America after the Cuban Revolution. He had been imprisoned, had taken part in a mass jail-break, involving the hijacking of two airliners, and made his way to Cuba via Chile.

Soon after returning to Argentina, in January 1974, Gorriarán led an ERP assault on one of the Argentine army's most powerful units, the armoured regiment at Azul, south of Buenos Aires. After a long battle the guerrillas were

forced to withdraw, but not before killing the base commander and his wife.

The ERP leadership deemed the operation a failure, however, and demoted Gorriarán, sending him off to do a stint of grassroots organisation in a factory.

At the time Argentina was ruled by General Perón, who had returned from years in exile on a wave of popular acclaim. Perón had, however, become increasingly conservative in the intervening period, and Gorriarán and his fellow left-wingers soon lost patience. The Azul attack was designed to force the general to take sides as Argentine politics became polarised.

It succeeded. Perón had the excuse he needed to step up what later became known as the "dirty war" against his left-wing tormentors. The ERP, in response, launched a guerrilla campaign in Tucumán, in the poverty-stricken north-west of Argentina. It assumed the local people would rise up in support.

Instead, the army perfected its counter-insurgency techniques: unacknowledged arrests, clandestine detention centres, systematic torture and secret executions. Tucumán was a miscalculation by the ERP. The army soon began to get the upper hand, and in this desperate atmosphere Gorriarán earned himself another demotion. He ordered the "execution" of a fellow ERP member whom he suspected of being an army informer.

The collapse of the ERP, when it came, was swift. In July 1976 most of the leadership was cornered by military intelligence agents in a Buenos Aires apartment and most of them died in the ensuing gun battle. Only one got away: Gorriarán, who fled into exile.

Far from admitting defeat, Gorriarán saw his enforced absence from Argentina as another opportunity to advance the world revolutionary cause. He began to shuttle

between Fidel Castro's Cuba, the few other Latin American countries not run by military dictatorships (Mexico, Venezuela, Colombia) and Italy.

There he hatched a characteristically ambitious scheme: to rebuild the ERP's fighting capacity and return to Argentina to resume his pursuit of the Guerillist dream.

Gorriarán organised a string of robberies and kidnappings in Italy and France during 1977, to raise funds for a "military school" in Italy, run by a Tucumán veteran known as "Santiago" (his real name was Hugo Iruzun).

But the ERP's political apparatus, the Workers' Revolution-

ary Party (PRT), disapproved of such a "militaristic" approach; it disbanded the school and took charge of ERP's finances.

Undeterred, Gorriarán led a breakaway from the PRT and moved his European base to Spain. Things went well there for a while, until a number of successful small hold-ups bred over-confidence. The previously tolerant Spanish authorities were finally obliged to clamp down on Gorriarán and his friends - after they attempted a big bank raid.

Gorriarán was brooding in Paris after this latest setback when the call came from Nicaragua. The Sandinista revolutionaries, led by Daniel Ortega, were preparing for a final push against the dictator Somoza in the early months of 1979, and they needed some hardened fighters to bolster their forces. Gorriarán was on his way again.

He saw action on Nicaragua's southern front, where the fighting was fiercest, and was assigned to the interior ministry after Somoza fled in July 1979 and Ortega's Sandin-

istas took power. Gorriarán's first success as a secret policeman, which convinced his bosses that he could be entrusted with the Somoza assassination, was to eliminate the dictator's most effective military commander, Major Pablo Emilio Salazar.

Salazar had fled into exile in Honduras with his wife, leaving his mistress, Barbara, to

Continued on page II



Joe Rogaly

## Too busy for bombs

Getting down to business might offer Ulster a hope of lasting peace

**B**usiness helped ease the transition to democracy in South Africa and Chile. Corporations such as Coca-Cola supported the advancement of black Americans in Atlanta, Georgia. How about Ulster? The correct answer is that nobody knows.

The existence of a problem does not constitute evidence that there is a solution. The use of violence has not resolved the conflict. Political strategies have not produced a permanent ceasefire. Could companies, and their managers, do better?

Perhaps. You would not catch me saying "what is good for business is good for the north of Ireland" but put it the other way round and you have my nod. What is good for the troubled provinces - the promotion of peace - would be excellent for the economy and every company working within it. That is why businesses have an incentive, based on self-interest, to do what they can to take the venom out of north-west Europe's murderous dispute.

They understand this in South Africa, a country misleadingly cited by Sinn Féin/IRA as a model of conflict resolution. I say misleading because the African National Congress, which represented the overwhelming majority of the population, was denied the

vote. Sinn Féin, elected by a tiny fraction of the voters in the six provinces and an even smaller one in the Republic of Ireland, has only to renounce violence to be recognised as a democratic party.

There may, however, be a lesson in the way large South African companies behaved during the years leading up to ANC rule. About a dozen of them have sponsored research into the role of business in transitions to democracy in seven countries, plus Atlanta, where the change was in the racial balance of power. The work was done by Peter L. Berger, a distinguished conservative professor of sociology at the University of Boston, and Ann Bernstein, of South Africa's Centre for Development and Enterprise.

There is nothing namby-pamby or soft-headed about their approach. Professor Berger says he is irritated by the phrase "social responsibility" applied to business. "It is futile to expect institutions to do something they are not set up to do." What happened in South Africa, as Ms Bernstein explained, was that business, conscious of its role in society, became a key player during the years between negotiations and the election of Nelson Mandela.

Among other things, companies supported the voter registration drive and helped educate

a part of the electorate. Mr Bernstein disapproves of quotas.

I listened to her account at a seminar organised by the Institute of Economic Affairs Health and Welfare Unit on Wednesday. A participant reminded us of Chile, where business encouraged the country's Socialists and Christian Democrats to undertake not to interfere in the free market. The same corporate persuaders financed the creation of two pro-capitalist parties. The then military dictator, General Pinochet, had no excuse not to step down after promising to do so if he lost an election.

We were also entertained by a tongue-in-cheek discussion of whether business always welcomes democracy. In Hong Kong, we were told by professor Berger, no executive interviewed during a week-long visit was in favour. The argument ran thus: every country that has a welfare state goes into economic decline. To stop the welfare state, you must stop democracy.

This could hardly apply to Northern Ireland, which is a quintessential welfare state. That may not be in the long-term interest of business, but it is too late to stop democracy. Accelerated development of the private sector is the way forward. This is widely recognised. The inward investment programme, backed by government grants

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### CONTENTS



Fashions: The new face of haute couture for the Nineties

Sports: Wasim Akram, cricket's smash and grab artist

Perspectives: Farming in Rothamsted, keeper of the agricultural conscience

Food and Drink: Jancis Robinson on Tuscany's battle for chianti



Travel: On the trail of China's Terracotta Warriors

Silks: A life-long skier succumbs to the lure of snowboarding

Books: Mankind and the seeds of destruction

Arts: ...

Arts Guide ...

Books ...

Chess, Crossword ...

Fashion ...

Food & Drink ...

Gardening ...

How To Spend It ...

Motoring ...

Properties ...

Sport ...

Travel ...

Weekend Investor ...

XIV, XV

XVI

XII, XIII

V

IV

VI

X

VI, VII

XVII

VIII, IX

XIV, XX

## PERSPECTIVES

Science / Andrew Derrington

# One man's poison is another's cure

How a dose of botulism can treat conditions as diverse as writer's cramp and cerebral palsy

**C**hris Ward, professor of rehabilitation medicine at Nottingham, deals with a lot of difficult cases. For some of them the best he can offer is an injection of botulinum toxin, the most poisonous substance known. Surprisingly, this makes them much better. It seems that there is nothing quite like it for relaxing muscles.

The legendary microbial poison, the villain of food poisoning outbreaks and a potential chemical warfare agent, is another example of a lethal poacher turned medical gamekeeper.

It is rapidly gaining acceptance as a treatment for conditions ranging from cerebral palsy to writer's cramp.

Toxin for therapeutic use, marketed by Speywood Pharmaceuticals under the name Dysport, is produced in the UK at the Centre for Applied Microbiology Research, a government laboratory at Porton Down (not to be confused with the chemical and biological defence establishment at the same site).

Botulism is usually caused by toxin produced by the microbe *Clostridium botulinum* growing in food. The microbe is anaerobic - it only grows when oxygen is excluded - and so it is a hazard in preserved or tinned foods if there has been a lapse in hygiene during preparation.

It occurs occasionally as an infection in deep wounds and extremely rarely as an intestinal micro-organism in infants.

Peter Hambleton, director of production at CAMR, says that botulism is more common in North America than in the UK.

"They do more home preserving of meat and vegetables than we do... but it's a common problem

with fermented meat products too. Outbreaks in Europe have been linked to blood sausage (botulism is Latin for sausage).

"In North America Inuits (Eskimos) sometimes get it from eating fermented blubber."

Botulinum toxin affects the nerve terminals, known as motor endplates, in muscles. It blocks release of the chemical messenger acetyl choline, which commands the muscles to contract.

The result is weakness and paralysis. Death occurs when the muscles that control breathing become paralysed. The toxin's effect on the motor endplate is irreversible but after a few weeks - if the patient lives that long - the

nerve will sprout a new endplate and re-establish control.

The extremely high specificity of botulinum toxin - it goes straight for the motor endplate - means that it is possible to weaken individual muscles by injecting them directly. This makes it a useful treatment for a range of conditions known as dystonias where muscles contract or twitch inappropriately.

"It's good stuff," says Andrew Lees, a consultant neurologist at the National Hospital for Neurology and Neurosurgery in London.

"There was a group of thousands of desperate people for whom you couldn't do a thing." Now the affected muscles can be injected and the twitch stops.

In the past dystonias were often treated (unsuccessfully) as psychiatric disorders, but now it is known that they are caused by problems in the parts of the brain controlling the muscles.

"Botulinum toxin is a palliative treatment; it's not really getting at the cause," says Lees, but it makes life bearable for thousands of sufferers.

Although at present it is only licensed for use on spasms of the face and neck and for correcting squint, botulinum toxin has been used experimentally to treat children with cerebral palsy.

Rigidity, caused by problems in the brain areas that control the muscles, restricts movement which may cause deformity that has to be corrected by surgery. Relaxing the muscles with toxin produces a vast improvement in the quality of life of these children and may avoid the need for surgery.

"It's catching on around the world," says Ward, who with colleagues in Derby, Leicester and Sheffield is seeking funding to investigate the best dosing regimes for treating children with cerebral palsy.

The way doses are measured carries a reminder of the danger of the toxin. The unit of measurement is the "mouse unit" which is the amount that, if it were given to each of 100 mice, would kill 50 of them.

It is an unbelievably tiny quantity. A vial of 500 mouse units of Dysport contains about 2 nanograms (billions of a gram) of the toxin. A vial costs about £170, which, at £85 trillion a kilogram, must make the toxin one of the world's most expensive substances.

Confusingly, the mouse unit is not a uniform standard. According to Ward the two leading brands available in the UK have different strengths. Botox, produced by the US company Allergan, is about five times as strong as Dysport, mouse unit for mouse unit.

Hambleton says that manufacturers have different regimes for testing the strength of their toxins and this may change the apparent efficacy. Because of this confusion, I advise readers not to take any botulinum toxin without first checking the manufacturer's name. Remember: one man's poison packs more punch than the other's.

■ The author is professor of psychology at the University of Nottingham.

## Minding Your Own Business Climber's long haul to success

Clive Fewins meets a man who does odd jobs at the end of a rope

**T**here was no heating in Norman Stanier's terraced house in Hay-on-Wye, Powys, when he moved in after buying it in the winter of 1976, so he asked the building society for an additional loan to fund the installation.

A condition of the loan was that he repaint the house. He did the job himself, using his climbing skills and a rope harness to work on the chimney.

"I suppose it went through my mind at that time that I could earn a living from doing odd jobs on the end of a rope but it was not until my 40th birthday party nine years later that, together with a few friends, I thought seriously about forming a company specialising in roped access to large industrial and other buildings," said Stanier.

A physical education graduate and former Outward Bound instructor, Stanier had lived in Hay when he was deputy warden of an outdoor pursuits centre. By the time he was 40 he was running a large urban outdoor activity centre in Birmingham.

Together with his wife, Ann, and some former Outward Bound colleagues, he came up with the name Wallwalkers.

The next stage was to sell his services to the authorities at Coventry Cathedral. "They were anxious to have the Suttonian Tapestry and the engraved plate glass Great West Screen cleaned and were keen to avoid scaffolding. The tapestry had narrowly avoided severe damage when a scaffold tower belonging to previous contractors inside the cathedral crashed beside it," Stanier said.

He added: "The Dean and Chapter looked on while a colleague and I demonstrated our skills soft above them. We got the job. It took four people 15 days and we were paid £5,000. Wallwalkers was in business."

The enterprise was dormant while the Staniers gave the idea more thought and concentrated on bringing up two boys. Norman continued with his job in Birmingham, and Neil Bryant, his co-founder who had given the fledgling

company a £1,200 interest-free loan to buy equipment - and later added £10,000 - left to live in Australia.

In July 1988 the Staniers turned Wallwalkers into a limited company. This led to work for several local authorities. In addition, they gained further work at Coventry Cathedral and, as a spin-off, cleaning work on the outside of a large office block in Coventry.

By that time Stanier was starting to believe they had the beginnings of a successful business. However, he enjoyed his work in Birmingham and was finding it hard combining the two jobs.

"The Coventry office block was the turning point," he said. "For £15,000 we did a job for which the cost of the scaffolding alone would have been £60,000."

Word spread in the South Midlands - the Staniers were living near Coventry at the time - and the next big job was at Warwick Castle.

"We were lucky," Stanier said. "I was having great difficulty convincing the architect that our techniques worked when I had an SOS one evening to say that a large piece of stone had fallen off a tower where the queue for the dumbfounds lines up in the daytime. Between first light and the castle opening time at 10am we dangled the castle architect, chief stonemason, and engineer over the ramparts to assess the damage and take photos. We worked from dawn to 10 every morning and every evening after the castle closed. For 10 days' work we were paid £50,000."

Eventually, in December 1988, Stanier left his job in Birmingham to become self-employed and undertook a consultancy monitoring countryside watersports for the Sports Council.

"I was able to work flexible hours and develop Wallwalkers to the point where I thought it would support the family. This was a very valuable transition six months while I got used to having no regular salary," said Stanier.

In 1992 the Staniers left the Midlands for Norman's native



Hanging around earning a living: Wallwalkers at work

Herefordshire to live in a house on his father's fruit farm, assist with the farm in what spare time they had, and establish an office in his parents' large house.

"We knew we could run the business from anywhere, as our pool of labour - all climbers and self-employed - lived all over the country," Stanier said.

Profits have grown from £4,350 on a turnover of £19,500 in 1982-83 to £47,500 on a turnover of £118,000 in the financial year that ended last July.

"Our figures look very good but the intervening year, 1988-89, saw a dip - a profit of a mere £2,700 on a turnover of £25,000," said Ann Stanier, 42. "We can't quite work out the

reason for this, as we had a busy year and did not pay ourselves a great deal. However, we had to buy a lot of cleaning equipment that year and also repaid the £11,200 loan.

"The other side of the coin was that the following year a number of big jobs that we had been chasing for up to four years came our way, so the figures for that year were very good."

Stanier said: "The seven months since last July have been busy, but we do not know what the rest of 1996 holds. We hope to undertake work for English Heritage at Rievaulx Abbey in north Yorkshire, more work for Warwick Castle and more work at GCHQ in Cheltenham. In 1991 we

cleared the top secret M-block there."

Stanier leaves most of the labour to his 10-strong team, which includes Lucy Creamer, one of the UK's top women climbers. He also designs and writes building safety packages and emergency evacuation systems, and produces safety training videos.

"It has all worked well and the future is looking good," said Stanier. "But we are not lulled into a false sense of security by our large profits last year. There are lots of hidden imponderables in this business and quoting is always tricky. After all, we only get the jobs because they are considered difficult."

"We have no outstanding

loan liabilities and feel fairly financially secure, but we still have to dip into our £25,000 working overdraft - usually to buy materials.

"If I have any advice for aspiring small business men it is over the whole difficult area of running a company in conjunction with friends."

"We started by doing this and found it did not work out. You need exceptional diplomacy and communication skills to achieve this successfully."

"We failed. We managed to part amicably - but we had to work for trouble. Severe stomach trouble could follow."

Doris is an expert on the digestive system. Once, having a jittery tummy after a surface of chillies, she pressed a medicine box into my hand. Inside were phials filled with what looked like ball bearings. I shook a couple of the pills into my hand. "No, no," said Doris. "Just gulp the whole phial down."

The accompanying leaflet explained the bearings would cure everything from itchiness of the scalp to sweatiness of the feet. Along the way stomach disorders would be sorted out.

Not only did the pills produce a cure. In no time at all I was hooked on them, throwing down a couple of phials at the slightest sign of engine room trouble.

My comeuppance was at a breakfast in Hong Kong with a group of bankers. Feeling a little queasy in the stomach I quickly gulped a phial full. Turning back to face the

## Dispatches / Kieran Cooke Irish Year of the Rat

**W**ithout Doris, Chinese new year will not be the same. My mother-in-law is at home in Singapore. We are in the wilds of Ireland, the nearest sizzling wok hundreds of miles away.

"You mean you cannot buy preserved jellyfish?" asks Doris down a crackly phone line. "Not even fresh noodles?"

When we said we were returning from the Far East to a cooler climate our sanity was questioned. To Chinese of the old school like Doris, civilisation is defined by the availability of oriental foodstuffs.

The nearer you are to a shop selling dried mushrooms and fresh bamboo shoots, the more advanced the place. On this not unreasonable measuring chart, Ireland does not score well.

The family goes into the Year of the Rat with coughs and colds. This is not suspicious. No greater authority on bodily malfunctions than Doris.

"Are there black chickens there?" comes the Singapore inquiry. "Not only the feathers must be black. The skin has to be black as well. You steam it up and drink the juice. Very good for fevers."

I am not in the mood for chasing hens round the highways and byways of Ireland, checking them for colour. Molesting chickens could be a serious offence in these parts.

"Boil an egg very hard," says Doris. "Then rub it all over. That will stop the flu."

"Do I eat the egg afterwards?" I ask. Certainly not, says Doris. The egg teases the badness out of the skin. Swallowing it would be asking for trouble. Severe stomach trouble could follow.

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My comeuppance was at a breakfast in Hong Kong with a group of bankers. Feeling a little queasy in the stomach I quickly gulped a phial full. Turning back to face the

massed legions of money men I was horrified to feel a sneeze coming on.

The ball bearings, about a hundred of them, flew out like bullets from a machine gun. The man from Standard Chartered ducked. The Bank of America got a full load in the chest.

The Bank of China watched bemused as one ball bounced, roulette-wheel fashion, round his plate, finally landing with a plop in the yellow of his egg. "Ah," said the knowledgeable manager from the mainland. "You must have diarrhoea."

I have never gone near the piff, or been invited to a bank managers' breakfast, since.

The other ailment Doris suffers from is a peculiar affliction called heatiness. This, according to Chinese culinary traditionalists, is caused by eating the wrong combinations of foods or downing too much strong alcohol, thus provoking a fire inside.

"I feel heaty," Doris will say if she has mixed fish and meat. Or fruit and vegetables. Or sniffs a piece of cheese. The mere sight of me downing a glass of stout provokes an attack of heatiness in her that sounds the alarm at the fire station.

The cure is that ever-present Chinese restorative, a cup of tea. Not any kind of tea. Doris travels with an assortment of teas that would do Fortunes proud. Highland teas, lowland teas, green, red and orange teas. Heatiness is quenched by a rough Malaysian variety that smells and tastes like mature compost.

"We've sent a food parcel with all the medicines in," says Doris. Heaven help us. The last time such a consignment passed through Irish customs two sniffer dogs asked for early retirement.

Doris describes preparations for the new year dinner in Singapore in minute detail.

"I feel heaty," Doris will say if she has mixed fish and meat. Or fruit and vegetables. Or sniffs a piece of cheese. The mere sight of me downing a glass of stout provokes an attack of heatiness in her that sounds the alarm at the fire station.

"Doris, there are more things to life than food."

The line goes quiet. "I always said you had wind in the head," says Doris. "Happy new year."

Even the Cubans, so supportive in earlier days, were horrified at Gorriarán's bare-faced escapade.

In the end, his failure to change with the times brought about his downfall. He seems to regret nothing. Others were less inflexible. Hugo Anzoregui, the head of Argentine military intelligence, was once active on the radical left. After his man had cornered Gorriarán in Mexico and flown him back to Argentina last October, Anzoregui said: "In a democracy we can do things that couldn't even dream of."

■ Eduardo Cawley and Colin Harding are editors of Latin American Newsletters, London. Cawley's book, *Years of Shame: Argentina from the Dirty War to Menem*, is to be published shortly by C Hurst & Co. Harding's *Colombia Focus* is published on February 29 by Latin America Bureau.

## The lost causes of the last revolutionary

fall into the hands of the victorious revolutionaries in Managua. Thirsting for revenge, she needed little persuasion to act as bait, and was sent off to Tegucigalpa, the Honduran capital, to make contact with her former lover, Barbara Juarez Salazar, to a house where Gorriarán and his men were waiting. After being tortured, he was finished off with a bullet in the back of the head.

Gorriarán spent the next few years fighting the Nicaraguan government's enemies inside and outside the country: the US-financed right-wing Nicaraguan terrorists who came to be known as the Contras, and the right-wing régimes in neighbouring El Salvador and Guatemala.

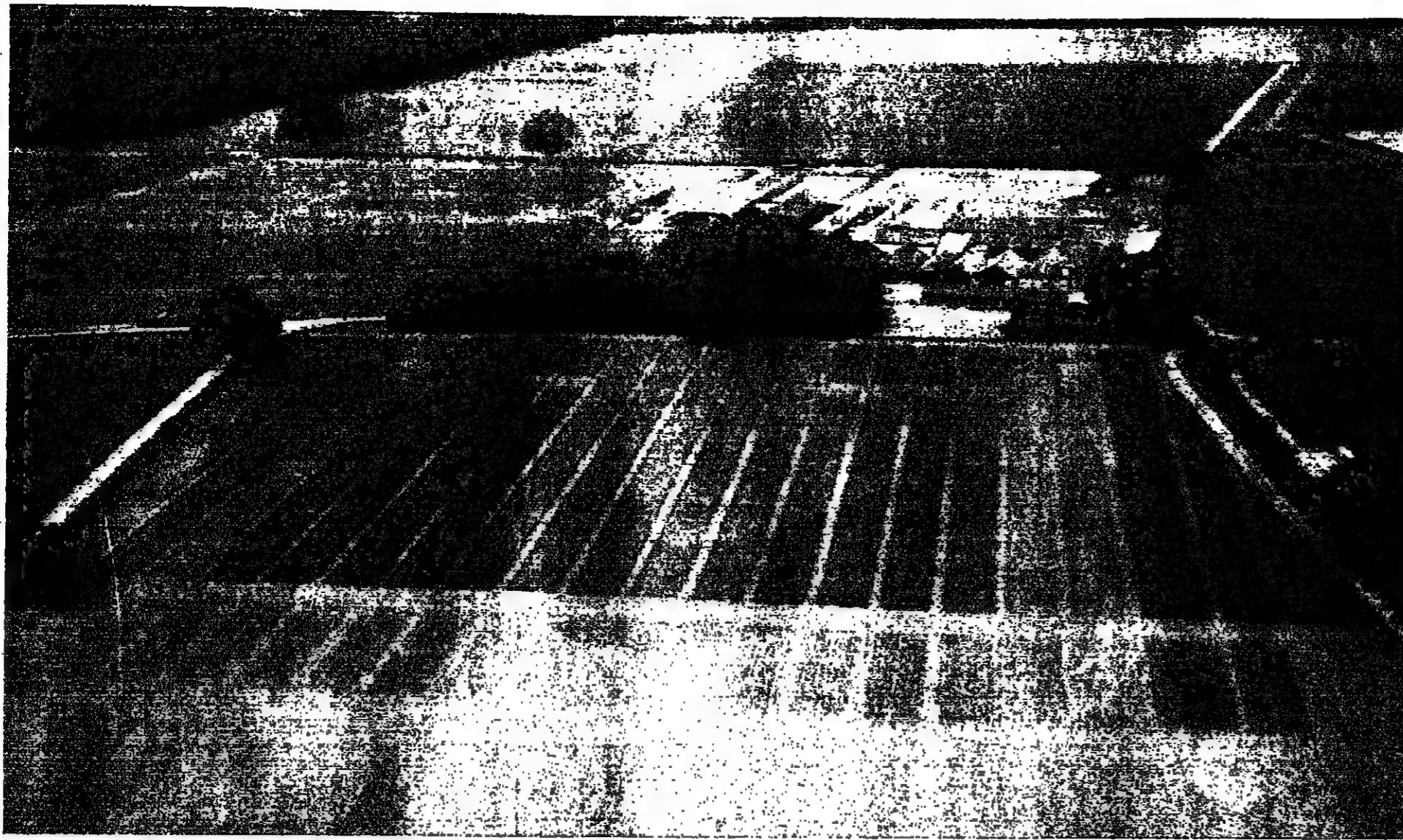
There he came up against his old opponents in the Argentine military, who were passing on "dirty war" expertise to their Central American colleagues.

It was an ironic role-reversal: while the Argentine officers were using what they had learnt from the ERP to train anti-Sandinista terrorists and guerrillas, Gorriarán and other ERP veterans became experts in counter-insurgency.

Throughout this period Gorriarán never lost hope of returning to his first battlefield, Argentina. By the mid-1980s military régimes had given way there to an elected government under President Raúl Alfonsín. But there was to be no reconciliation with Gorriarán, who was still

wanted in Argentina on charges

## PERSPECTIVES



Broadbalk in summer. From right: green strips treated with manure and nitrogen; yellow strips first unmanured, second treated with minerals only; and green strips fed with nitrogen. Top left: the wilderness

## The 153-year-old experiment

Alison Maitland visits an agricultural research station dubbed 'keeper of the long-term conscience'

**I**t is midwinter and the first shoots of wheat are peering through the soil in a field like no other in the world. In the chilly mist, the young plants look unremarkable. But in a few months, they will bloom into a spectrum of colour from verdant green to pale yellow.

A unique experiment in soil fertility is entering its 153rd year. This is Broadbalk, centre-piece of the world's longest-running continuous agricultural field trials.

These remarkable trials illuminate contemporary debate about the long-term effects of pollution, the sustainability of intensive food production, the limits of bio-diversity and the impact of global warming.

John Lawes and Henry Gilbert, the founding fathers of agricultural science, sowed the first wheat on the 12-acre plot at Rothamsted, in rural Hertfordshire, in the autumn of 1843. They wanted to measure the effect on crop yields of different soil treatments - from applying nothing at all, to farmyard manure, to artificial fertiliser.

Unprecedented as their investigations were, the two men can have had no idea that the experiments they started would go on to provide a unique insight into the most pressing agricultural and environmental problems of the late 20th century.

The experiments came about thanks to the entrepreneurial spirit of Lawes, who produced synthetic fertiliser by grinding animal bones and treating them with sulphuric acid at his 16th-century manor at Rothamsted. The profits he made from patenting and marketing the resulting "super-phosphate of lime" allowed him to found Rothamsted Experimental Station, one of the country's leading agricultural institutes, and begin his large-scale crop trials.

Lawes and his assistant Gilbert grew wheat year after year on Broadbalk - an unfashionable practice at a time when crop rotation was the norm. Each strip sustained a different treatment, with farmyard manure and inorganic fertiliser applied on either side of strips left unmanured or treated only with minerals.

"This was, and still is, so striking a visual demonstration of the importance of supplying nitrogen in readily available forms that it is utterly convincing," says Johnny Johnston, Rothamsted's leading authority on the experiments.

With today's highly productive varieties of wheat, the best yield on Broadbalk have been obtained from soil treated with a combination of farmyard manure and artificial fertiliser.

But the extra boost comes not from the applications of fresh fertiliser, but from the residues of past manure and fertiliser which have already enriched the soil. In other words, what matters is starting from a fertile base.

There are other lessons, too. One might have expected output from the strip that has never been manured to have declined over the years.

Instead, it has consistently produced about 1.5 tonnes of wheat per hectare - equal to the global average wheat yield.

The main reason for these steady yields is that the soil has benefited from nitrogen in the atmosphere. Clay soils like those at Rothamsted are also good at recycling nutrients from the plants' roots, which are ploughed back in each year.

"What it's saying is that if you have a farming system which is compatible with the



Rows of jars in a shrine to the legacy of scientists Lawes and Gilbert

soil, carefully thought out and suitable for the agro-ecological zone, then it's likely to be sustainable," says Johnston.

Disaster with the experiments has sometimes been more revealing than success. A trial growing four crops in rotation elsewhere on the 300-acre estate collapsed after 100 years because a build-up of acid from nitrogen fertiliser allowed a fungus to flourish which ravaged the turnip crop.

"Today we may be starting farming systems which may take equally long to collapse," warns Johnston. "That's why we need to be able to review and monitor what's happening in the soils."

In 1882, Lawes and Gilbert stopped cultivating a small patch of land at the far end of Broadbalk to see what would happen. A century later, the results of their curiosity inform arguments in the European Union and US about land use and "set-aside" - the policy which pays farmers to take land out of production.

What happens when land reverts to a truly natural state?

After only four years, the few surviving wheat plants in "the wilderness" were stunted by weeds and barely recognisable. A century and a half later, ash, oak and sycamore trees have taken over, the tallest about 70ft high.

"There's a lot of talk about the 'natural' landscape," comments Professor Ben Miflin, Rothamsted director. "But most of the landscape is artificial because it's in some sort of agriculture."

Farming is often blamed for damaging the environment. But industry has also polluted agricultural land. A system of drains laid down the centre of each plot on Broadbalk has enabled researchers to measure the build-up of heavy metals such as cadmium and toxic chemicals such as PCBs (polychlorinated biphenyls). Amazingly, just 10 years after the first PCBs were produced in the US in the late 1930s, they were detected in the Rothamsted soil, having travelled across the Atlantic in the upper atmosphere.

Not all pollutants are bad for the soil. Sulphur from acid rain was a useful fertiliser and farmers now have to apply extra amounts because acid

rain emissions have plummeted in the last 15 years. Rothamsted has measured the rise and fall of sulphur in acid rain, from 2kg in the rainfall deposited per hectare per year in 1980 to 24kg in 1989, and down again to about 10kg in 1995.

In another of Lawes' classical experiments, pastureland has received different fertiliser treatments continuously since 1856.

The experiment enlightens the quest to preserve the world's shrinking fund of plant species. More than 50 grasses and herbs, some rare, grow on the unmanured plots. By contrast, only a few vigorous species grow on the plots enriched with fertiliser.

It takes just a few years to convert species-rich pasture to intensive crop production and lose natural diversity. Yet to return the soil to its natural condition, removing all traces of fertiliser, would take about 50 years of constant management.

"You can't simply and easily go back to an extensive system of farming and expect to have lots of varieties," says Keith Goulding of Rothamsted's soil science department. "Air pollution, and the number of people wanting access to the land, will also limit what we can do."

The experiments provide pointers to pressing questions about the impact of global warming on crops and vegetation. Forestry experts believe rising levels of carbon dioxide in the atmosphere have increased tree growth over the past 50 to 100 years.

But the same is not necessarily true of crops. Measurements on Rothamsted's pastureland have shown no increase in yields over the past century. The conclusion is that extra nitrogen - not

applied there - is needed if higher levels of CO<sub>2</sub> are to improve output.

The "greenhouse effect" has been tested further inside Rothamsted's own glasshouses. Simulating projections of climate change at the end of the next century, scientists have doubled carbon dioxide levels and raised temperatures by three to four degrees to see what happens to wheat. Higher CO<sub>2</sub> increases wheat output, but the hotter temperatures cancel that out, so the effect is neutral.

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applied there - is needed if higher levels of CO<sub>2</sub> are to improve output.

A man named Randy finished the course in a lightning 1hr 45min. I arrived in

## The poet with blood on his apron

Christina Lamb on the rhyming butcher and his Portuguese village

**S**ince my 52-year-old mother slipped out of her Marks and Spencer twinset and into a minuscule silver sequin and peacock feather creation to samba her way through Rio's Carnival parade, I have learnt to expect the unexpected.

Be that as it may, it was still a surprise to discover that the burly butcher in a nearby village is a poet. Someone who does not imagine that a ruddy-faced man who spends his days cutting slabs of beef and churning out sausages, may be simultaneously creating rhyming couplets.

I stumbled on Jose Valentim Lourenco, the rhyming butcher, by accident. It was a wet and windy Saturday, so miserable that only the promise of a hearty Portuguese lunch of roast hog and red wine could drag me out from beneath the covers. Somehow in the tangle of narrow stone-walled streets between my village and the one famous for its hog lunches, I lost my way and found myself in Gouveia.

At the entrance of the village stood a large sign on which was painted in bold blue strokes "Welcome to Gouveia. Village in Verse". Underneath was the following poem (roughly translated): "The roads are free-moving. The air is sweetly calm. The doors are all open. To welcome everyone".

Driving on, I saw that every street wall bore a tiled plaque on which a poem was painted inside a blue and gold border. There were rhymes about the chapel, the village square, the road to the sea, the wells and even the butcher's shop, encapsulating the history of the area.

Intrigued, I stopped a cherry-cheeked lady weaving baskets by the roadside. "Ah, you want Jose the Butcher," she said, driving an arm up the road.

Yes, it was quite a day when we all woke up to find the poems on our streets. Of course we're pleased now.

"They attract a lot of people to the village, taking photographs and buying souvenirs. This place was really rundown but with all the money coming in we've built the children's playground, restored the wells, the chapel and the town square."

Sure enough, not far along the road I found Jose Valentim Lourenco in his glass-fronted shop, hacking away at a large piece of pork. When I explained my interest in his verses, he wiped his knife on his blood-spattered apron and extended a flabby hand in welcome.

Still, in his foul-smelling shop he closed up his shop ("not much custom in the rain"), and led me into his home to show me his collection of tiles.

To my astonishment, Jose told me he had left school aged 10. His passion for doggerel was inspired by his grandfather. He used to accompany him into the fields every day to help tend the cows of a local farmer.

"My grandfather couldn't read or write but he could tell stories in verse. People would come from all around - the Peasant Poet they called him."

Working his way up over the years to owning his own cows

and eventually becoming village butcher, Jose, now 54, was determined to give something back to the place in which he had grown up.

He helped found a local theatre - no mean feat in a poor village of just 200 people - and started producing plays. With the proceeds, he launched a programme of public works and set about putting Gouveia on the map.

For a long time Jose had been making up poems as he chopped the meat into steaks or slapped it into burgers. "The rhythm of cutting gives me ideas," he grins. One day he got a brainwave. "The streets of Gouveia had no names," he recalls. "I decided I'd not only give them names but also verses." For two years he walked the 18 streets, compiling verses.

"It's not easy," he said, "to put the whole history of a street in four lines." Secretly he worked with Geraldo, the local tilemaker, to paint the verses on tiles ready to place on the streets.

Secretly he worked with Geraldo, the local tilemaker, to paint the verses on tiles ready to place on the streets

But they had overlooked one thing: "The roads had no walls," laughs Jose. "There was nowhere to hang the tiles." Undeterred, he led a campaign to build street walls of local stone. Finally he and Geraldo crept out late one night and put up the tiled verses.

The first most people in Gouveia knew of all this was waking up one Saturday morning to find that every street had its own plaque painted with a name and verse. That day was spent walking around, staring in wonder at each plaque and reading the verses to themselves and each other.

Not everyone approved. Jose recalls: "Some people felt the poems on their streets were not as good as on others. One complained that there were too many verses."

"Maybe I did go a bit too far giving poems to all the walls, the chapel and the public water fountains."

That night, it was decided that being the Village in Verse was a real coup for Gouveia. So it has proved. Portuguese villages like to be individual, each with its own yearly festival. So by becoming the Village in Verse, Gouveia put tremendous pressure on the surrounding villages.

Emergency meetings were held at village halls all over the area. Fontanelas, next door to Gouveia, even commissioned Jose to write some verses. But as Jose admits: "My heart just wasn't in it. There can only be one village in verse."

None, so far, has managed to match the ingenuity of the rhyming butcher.

Letter from Bangkok / Ted Bardacke

## Surviving a race through chaos

**Y**ou have to enjoy extremes to live in Bangkok. The sin and the tolerance, the chaos and the crowds, the pollution and the traffic. Occasionally, as a vaccine against insanity, you have to take an extra dose of these extremes.

That is exactly what I and 10 other residents did one Saturday, racing through 58km of the choked streets of Asia's most polluted city.

This was no Tour de Bangkok. The local authorities did not block off streets and reserve special lanes for the cyclists. Rather it was a no-rules, no-privelege, unofficial in-between-the-cars, cut-off-the-motorcycles-use-the-pavement-if-you-have-to, run-the-red-light dash where the competing desires of survival and a fast time hung the balance.

Having reported from the troubles in Haiti and Chiapas, along the unequal and poverty post-civil war operations in Cambodia and Burma, the race was the closest I have

been to real combat reporting. Like a trained observer of missiles, military vehicles and machine-guns, during the race I became acutely aware of the different exhausts and sounds of different vehicles.

Blue smoke and a high-pitched wail is a sign of the dreaded two-stroke motorcycle. The three-wheeled tuk-tuks combine white smoke with a putt-putt sound. The rumbling buses spew a sooty diesel from mufflers strategically placed right at nose-level. Silent and sleek limousines churn out invisible and odourless CO<sub>2</sub>.

Luckily, race organisers provided everyone with a face mask, although that did not stop my nose from dripping a gritty black ooze for several days after.

There I lost a great deal of time to my competitors when I got stuck between a bus, a cement truck and a black BMW. The pavements here, equally as congested as the streets, were simply not an option. Another problem was at the

road planning joke known as the old and new Phra Pok Kla bridges. Although the old bridge, and the one I wanted to use, goes over the river to the left, entrance to it can only be gained from the extreme right lanes. As I fought the cars which were merging left to get on to the new bridge going right, I posed that classic Bangkok question: wouldn't it be easier to tear down everything and start all over again?

That, in addition to being impossible, would simply not be right. Bangkok is a living thing, with wonders tucked in among the madness, small and unexpected joys such as the continual cheers of encouragement from the motorcycle-taxi drivers playing draughts at their queue. Or the policeman who held up traffic after the light had changed so that I and a three-wheeled contraption powered by a 50cc motorcycle engine and laden down with hand-made dust brooms could continue safely on our way unimpeded.

A man named Randy finished the course in a lightning 1hr 45min. I arrived in

seventh place at 2hr 32min, with the last riders coming in at just under four hours. There were no external injuries.

My time was helped by a little trick I pulled getting on to an overpass near the end of the race. Technically, the overpass is off-limits to cyclists and a policeman stationed near the on-ramp acts as a deterrent. But the prospect of avoiding four traffic lights, was too alluring. I held on to a pick-up truck and was propelled on to the ramp - but right into the sight-line of the policeman. He did not even flinch.

I smiled all the way to the finish. The incident proved that the best thing about Bangkok is that this race could even happen. In Singapore, even sending out an announcement would have earned us the wrath of who knows how many policing institutions.

Then again, having such a race in Singapore would not have been much fun. Not enough traffic.



## HOW TO SPEND IT

# Have Vuitton - will travel in style

Seven designers were invited to help celebrate the luggage-maker's centenary. Lucia van der Post reports

**Y**ou have to hand it to Louis Vuitton. When the rest of the world is playing it minimalist, it requires a lot of chutzpah to flaunt your logo and initials. From Gucci and Prada to Hermès and YSL, the word has gone out that softly, softly, is the name of the 1990s game - where initials and logos are a vital part of the image they should be whispered quietly, not flaunted.

Like some financial wizard bent on beating the market, Louis Vuitton has decided on a bold, contracyclical move and commissioned seven of Europe's most high-profile designers to do something strong and wonderful with its famous Monogram canvas.

It seems just the other day (although it was more than six years ago) that the company embarked on a policy of reducing the number of products sporting the logo. All the small articles - the comb cases, dog leads, key-rings and wallets - which "brought in money but were spoiling the brand" were to be covered in the more understated fabrics. Cuir Epi, a plain leather line, was introduced and proved to be an immediate success, very soon accounting for some 13 per cent of turnover.

Yet here we are in 1996 and Louis Vuitton has produced six innovative products, every one of which is covered all over in the famous monogram.

Part of the reason is that 1996 marks the centenary of the invention of the wax-covered canvas. The original M. Vuitton had been engaged

in providing the travelling classes with the appurtenances that the new ways of travelling required and as the ways and means of travelling changed so, too, did the products.

Those original pieces were covered in the waterproofed canvas so as to withstand the weather when piled uncovered on stage coaches. Then came trunks for steamers, folding gadgets for camel-trains and, in the fullness of time, softer pieces for the new-fangled fad for flying - Vuitton had found its niche in providing the cutting-edge traveller with his necessities.

The pieces commissioned for the 1996 centenary celebrations are designed to play exactly the same role in the lives of the contemporary traveller. Or as Jean-Marc Loubier, Louis Vuitton's director of marketing and communications, whose idea the project was, would frankly admit, to make the famous canvas seem more contemporary, more hip, once again on the buying agenda of the taste and trend-setters.

All seven designers - Romeo Gigli, Azzedine Alaïa, Manolo Blahnik, Helmut Lang, Isaac Mizrahi, Sybilla and Vivienne Westwood - have risen to the occasion, broaching the task with enthusiasm, verve and wit.

Vivienne Westwood, for instance, has used the sober canvas for a pert and provocative "bum-bag" - very useful, great fun and eminently contemporary. Sybilla of Spain designed what every shopper will long to have - a backpack

which can also support an umbrella when it rains, leaving the hands free.

All the designs are intended to help people on the move - whether a grand concept such as Helmut Lang's grand concept of a mini-trunk designed with disc jockeys in mind, a refined one such as Manolo Blahnik's oval drum for carrying shoes, or a minimalist one such as Isaac Mizrahi's transparent plastic shopping bag with a tiny pochette inside covered in the monogram canvas.

All the designers profess to being thrilled by the level of workmanship that the company brought to their designs. Even those who may not wish to buy - all these products are



Take cover from the rain in Spain

Sybilla of Spain has not been a big name in fashion for some time but when asked by Louis Vuitton to take part in this exercise she could not resist the challenge. She takes that contemporary accessory, the backpack, and gives it a new twist. The backpack looks conventional enough (although Sybilla says she made it a "young backpack, soft and organic... elegant but practical") but the surprise is that at the first sign of rain, an umbrella attached to the top of the bag can be released (also, of course,



made from the logo-covered canvas), keeping the shopper dry and leaving the hands free for carrying other things. Sybilla says that the idea of



incorporating an umbrella "was a silly idea I wanted to do long ago, but never had the time to develop. I would call it 'shopping in the rain'. The backpack is £500.

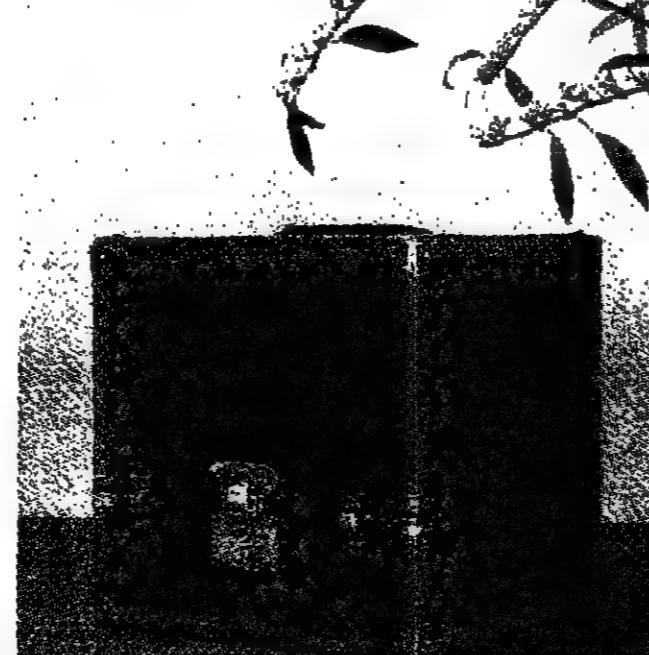
## A compact space for disc jockeys

Helmut Lang produced the most expensive of the new designs and the one that most resembles those sturdy steamer trunks that have become such sought-after items in the auction rooms of the world. He calls it a mini-trunk (right) but it is of the exact proportions to store and carry 70 vinyl records (do DJ's still go about with vinyl records, I wonder?) and their necessary accessories, as well as being fitted for some CDs. The DJ mini-trunk is in the long tradition of specially designed Louis Vuitton trunks for musicians - its special container for Pierre Boulez's baton and stand was one of the company's grandest commissions. Should there be a hugely over-paid DJ out there then this new version by Helmut Lang should come in handy.

being made in limited editions and prices range from £450 for Romeo Gigli's hold-all and £500 for Sybilla's backpack to £2,000 for Helmut Lang's DJ's mini-trunk - may be intrigued to see what can be done when fine craftsmanship and a dis-

tinguished but elderly brand is given new life by lively and imaginative designers.

The products go on sale at Louis Vuitton, 198 Sloane Street, London SW1 and 149 New Bond Street, London W1 from Monday March 4.



Putting in the boot... and the little black dress

Manolo Blahnik is a bootmaker of distinction (indeed, he is the best-loved bootmaker of the ladies-who-lunch set), so what else for him to apply his talents to but a boot-carrier (above). Blahnik designed his oval drum to be large enough to contain everything needed for a

one-day escapade - the case opens into two halves, each of the compartments being lined in shocking pink leather. He deems the silk-covered hanger on one side just the perfect size to hold a little black dress or other evening outfit. The other side contains two ribbon-trimmed shoe bags, a

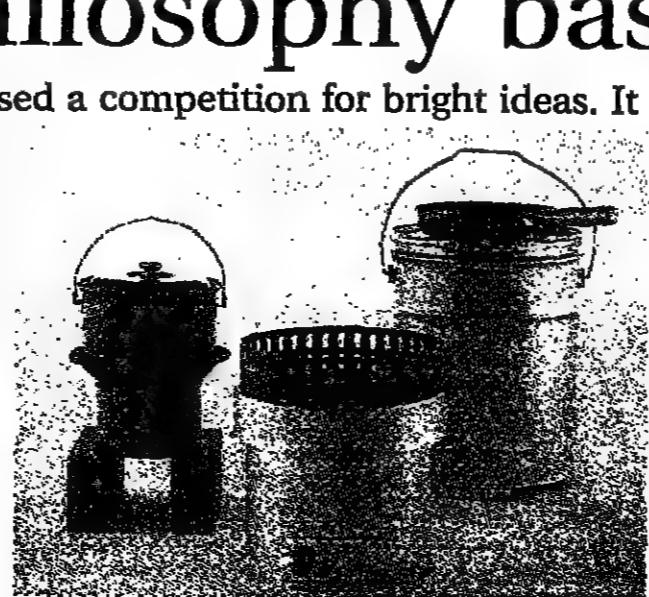
large silk pochette for lingerie and another for cosmetics. Everything, he feels, for the "perfect getaway". These ladies, it seems, do not care much for reading nor for soiling their hands with work. Those whose lives involve such fantasies will no doubt find it indispensable. £2,500.

## Exploration Sale

Muji's philosophy about its products is in complete contrast to that of Louis Vuitton; whereas Louis Vuitton has concentrated on developing itself into an instantly recognisable brand, Muji has cultivated anonymity. In Tokyo, where I first came upon it before it ventured on to British soil, it lurked under the title "No Brand Name". It concentrated on sturdiness, simplicity, fitness for function and a minimalist approach that precluded asking more for a product than was really necessary.

In other words, Muji had developed a notion (with which many would agree) that brand names had often developed into a mechanism for charging more, rather than a mechanism for guaranteeing quality. Its "No Brand Name" label was meant to signify a certain classicism, anonymity and value for money.

Since it launched its shops



and products in the UK under the Muji label, it has been a great success with the understated set but, like Louis Vuitton, it, too, has decided that it could do with some lateral thinking.

Accordingly, Muji decided to

run a design competition. About 3,269 ideas were put forward and the winners seem to have come up with some fresh new thinking and some really good products.

Overall winners were three Japanese designers, Fumio

Tan, Noboru Hara and Hidehiko Ohashi, who came up with a sleek and streamlined concept for outdoor cooking. Cooking out of doors is not a favourite Japanese occupation and therefore it was, as far as the designers were concerned,

be easy to store. The result is pictured above - a field cooker based on the traditional Japanese *stichirin*, a portable clay charcoal-burning stove. Both the saucepan and the frying pan were taken from existing items already on the market.

Joint second prize winner was an "Eco-cycle" - a recyclable cardboard pipe tricycle kit, once again designed by three Japanese: Donji Shin, Karmihi Imai and Tetsu Nakayama.

It is a product that avoids waste, expensive materials or self-conscious design.

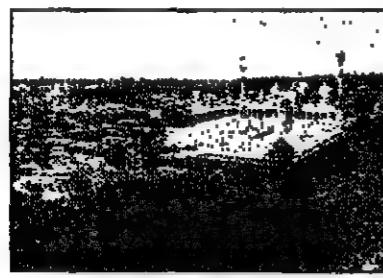
Although the main components are made of cardboard, which is disposable, the biggest difficulty the designers encountered were the joints which in the end had to be made of plastic.

These were just two of the products that the competition threw up and, although they are not yet in the shops, word is that they will be by the end of the year.

## Sales of Travel and Exploration

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### Visions of India



William Simpson (1823-1899)  
The Jami Masjid, Delhi, signed, inscribed and dated 1864  
pencil, pen and grey ink and watercolour heightened with touches of white and gold wash, 14 1/2 x 28 1/2 in. (36.2 x 72 cm.)  
Estimate £10,000-£15,000

AUCTION: London, 5 June 1996

ENQUIRIES: Laura Lindsay on (0171) 389 2570

### Topographical Pictures



Augustin Bruni (c. 1730-1796)  
A Negroe's Dance in the Island of Dominica. For Young beyond  
oil on canvas, 16 x 33 1/2 in. (40.7 x 85.1 cm.)  
Estimate £100,000-£150,000

AUCTION: London, 6 June 1996

ENQUIRIES: Nichola Lambourn on (0171) 389 2040

### Exploration Sale



George E. Marston (active c. 1910-c. 1923)  
The British Trans-Antarctic Expedition of 1914-1917: The Reeling Berg  
oil on canvas, 13 1/2 x 19 1/2 in. (34.3 x 49.5 cm.) one of a set of five  
Estimate £30,000-£60,000

AUCTION: London, 27 September 1996

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## A philosophy based on anonymity

Muji organised a competition for bright ideas. It received more than 3,000, says Lucia van der Post

**M**uji's philosophy about its products is in complete contrast to that of Louis Vuitton; whereas Louis Vuitton has concentrated on developing itself into an instantly recognisable brand, Muji has cultivated anonymity. In Tokyo, where I first came upon it before it ventured on to British soil, it lurked under the title "No Brand Name". It concentrated on sturdiness, simplicity, fitness for function and a minimalist approach that precluded asking more for a product than was really necessary.

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Tan, Noboru Hara and Hidehiko Ohashi, who came up with a sleek and streamlined concept for outdoor cooking. Cooking out of doors is not a favourite Japanese occupation and therefore it was, as far as the designers were concerned,

virtually virgin territory. The three designers concentrated on producing cookware which was not "over-designed", did not use expensive materials and was relatively reasonably priced. They were also concerned that it should



## FASHION

# The changing face of haute couture

**Avril Groom** on why ready-to-wear collections are providing a lifeline for designers in the 1990s

**A**wing of change is blowing through fashion that could radically alter the way designer clothes are marketed. It is only a light breeze as yet but for an industry in the retailing doldrums, any relief would be welcome.

Some designers believe that fashion has pandered more to the media circus than to the customer. In the high-spending 1980s the needs of both sides appeared to merge but the New Nineties woman wants quiet quality rather than tabloid headlines. And haute couture illustrates the dichotomy. Its shows have been vaunted as publicity stunts aimed at selling scent worth millions of pounds rather than suits worth a few thousand.

Now, in a season when John Galliano's arrival at Givenchy has put couture under the closest scrutiny since Christian Lacroix launched his house in 1987, the designers have handed the clothes firmly back to the clients. Venues are smaller and more intimate and the clothes themselves retain perfect cut and individual fit. But the collections at least try to appeal to "real" women rather than duchesses and goddesses.

This may have come just in time, for even the French newspaper Le Monde says couture is in the "twilight of its days". It is too late for Michel Klein, couture designer for Guy Laroche who gave a static display of his final 16 couture outfits - faultless tailoring in silk or heavy satin and chiffon evening dresses with traceries of lace, all in monochrome and adaptable to the de luxe ready-to-wear which Klein sees as the future of very high fashion.

"Even wealthy women work," he says. "They want not decoration and complicated clothes but a beautiful, simple suit in the best fabric, cut specifically for them, which will fit the rest of their wardrobe and last for years, like a man's Savile Row suit and of the same order of cost." The de luxe range, available in the Laroche Paris shop, can be ordered in a choice of fabrics with alterations made to stock sizes.

Support for lower couture starting prices comes from surprising quarters. Despite his unabashed courting of rock stars, Gianni Versace believes in simple daywear and less elaborate techniques. "When I started made-to-measure, I deliberately called it 'atelier', not couture, to show that it was hand-made but that I was not going to follow all the rules. Why make dresses in the 19th century way when we can fly by Concorde? We have the craft to do the grand beaded gowns, but a simple dress starts at around £2,000."

The distinction comes from the fabrics, such as this season's heavy duchesse satin in bold Op Art prints or "liquid" metallic chameau, and from the technique necessary to make a bias-cut slip dress out of soft leather mixed lingerie-style with delicate lace. Clients still need to be fitted, but for simple shapes this can be done at one of the Versace stores rather than at the Milan headquarters.

Even Christian Lacroix, the high priest of decorative couture, has changed tack. He started on the crest of the consumerist wave, backed by LVMH, the French luxury goods-maker, which also owns Dior and Givenchy. He believes he will be the last true couturier with his own label and expects finally to make a small profit this year, on the strength of his Bazaar diffusion range and accessories. "When I look back at my first collection it seems like a dinosaur," he says. "Life has become much less dressy even in those eight years."

His customer, he says, is as likely to be a top businessman as a socialite. "She wants a wonderful jacket or a simple evening dress but she will wear them quite plainly."

This knowledge makes his provocative catwalk presentations of individual pieces all

the more interesting. For instance, a small fitted pink silk jacket trimmed with bows, for a smart lunch perhaps, is shown with a boldly striped evening skirt which most would wear with a plain black top. The lace, hand-woven fabrics and textured beading make his work into art, yet his basic shapes - a small fitted jacket, a structured A-line dress and a severely carved corset with separate huge evening skirt - become simpler each season.

The media-loving Karl Lagerfeld at Chanel also puts the client in the spotlight. He showed in the grand yet intimate salons of the Ritz, partly in homage to Coco Chanel's death there 25 years ago, and partly to show off the fine couture tailoring of small tweed jackets that fit like gloves, sinuous long crepe skirts, delicate evening chiffon, lace and shimmering sequins and the new Chanel belt-like fine gilt fabrics.

Valentino, whose Roman workshops are reputed to be the world's best, showed in a long gallery at the sumptuous Opéra Garnier with models almost close enough to touch. Clients approved the marriage of fashion's minimal shapes with the craft of fine chiffon pleating, perfect topstitching, subtle lace patchwork and delicate beaded cutwork, in muted pastels and neutrals.

Ready-to-wear is crucial to a house's fortunes if it shares the

**The collections at least try to appeal to 'real' women rather than duchesses and goddesses**

design hand of the couture. Galliano has been clever at Givenchy, where clients' needs have always come first. Romantic gowns with 20ft trains are splendid camera fodder, but the real business will be done on tailored A-line suits and button-through dresses spliced with snakeskin, faux leopard or Givenchy's signature bows. There will be simple mixed suits or slinky black sack dresses with toga panels, all in the Givenchy spirit but with Galliano's sharp-shouldered, narrow outline.

They have also been adapted for ready-to-wear which in autumn is expected to relaunch Givenchy as a fashion force, with suits around £1,000, against the £3,000 starting point for couture. By autumn there will be more ready-to-wear based on the spring couture shapes from Chanel, Versace and Valentino, as well as Yves St Laurent's 1940s-style blazers and puff-sleeved silk print dresses. Ungaro's maribou-trimmed soft chiffons and Dior's 1950s-formal lingerie suits with lacy or beaded camisoles to take the modern client from boardroom to dinner.

This creative input is couture's other reason for being. The houses which have come unstuck - Patou, Lanvin and Laroche - have been those which put their couture in separate design hands and had no unifying, inspiring identity. Only Nina Ricci, where Gérard Pipart's couture is the last refuge of the old-style European aristocrat and genteel Far-East customer and ready-to-wear is designed by Jean Paul Gaultier's former assistant, seems to have succeeded in this dual track, with couture sales up by 20 per cent last year.

Hautie couture will always be a small market - even Dior, one of the most successful houses, admits to only 250 orders a year - so ready-to-wear sales are essential. Because of couture design's evolutionary, client-friendly nature these businesses appear at a disadvantage compared with trend-setting ready-to-wear labels.

If couture houses can pitch their ready-to-wear correctly, as Chanel consistently does, they could profit handsomely from a market tired of constant change and extreme styles. They might even have enough clout to reinstate a system where publication of pictures



■ Top left: White tweed small-collared jacket, seamed to fit, with gilt fibrescale belt and long black crepe hip-hugging skirt, fitted to hem, by Karl Lagerfeld for Chanel

■ Above: 1940s-style cyclamen pink jacket in heavy linen with plaid crepe dress in soft turquoise with small pink print by Yves St Laurent

■ Left: Silk crepe 1940s-style tailored jacket with deep scooped revers and cuffed three-quarter length sleeves, and longline pencil skirt, by Gianfranco Ferré for Christian Dior

■ Far left: Dove grey taffeta structured dress with funnel neckline and lace applique, by Christian Lacroix



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## PROPERTY

# Bath: a city shaken to its foundations

**Gerald Cadogan visits the civilised and cultural centre of the west country, a World Heritage site that is a victim of the car**

In Bath two famous father and son architects, both called John Wood, designed a showplace for the summer resort of that 18th century world of fashion and wit. They built it in a classical style, using local Bath stone.

Today The Circus, Royal Crescent and Lansdown Crescent, and many surrounding streets, have survived little changed - except for the traffic - for 200 years.

Bath is named as one of four World Heritage cities in Europe. Its unique architecture and town planning, and its historical links with many important residents and visitors have won it that accolade.

Bath is still sophisticated and civilised. It has good shops, good restaurants, plenty of culture and lots to see in the neighbouring countryside. Links with the outside world by rail and the M4 are excellent, making it ideal for commuters and those wishing to travel to Heathrow airport.

Consequently, Charterhouse International, the Bath-based buying agent, reports "a strong register" of would-be buyers, with cash. But there are not enough houses on the market to meet demand.

Philip Cobb, of estate agent Cobb Farr, agrees that demand is strong and finds that many more people, previously content with a flat in Bath as a second residence, now want to move completely out of, say, London, to the west country.

For newcomers and old inhabitants alike, traffic is a problem. It is to blame for eroding the carved stonework of the buildings in The Circus - all listed grade I, all of world importance - shaking them to the foundations, making the life of residents intolerable and giving visitors an alien view of this extraordinary urban drawing room.

Damage used to come from acid rain which left smog hanging over the city, which sits in a bowl. Jane Austen wrote of Bath in 1801: "The appearance of the place... was all vapour, shadow, smoke and confusion."

Now, one may burn only smokeless fuel or have a gas fire.

The cleaning of Bath's buildings began a few years after the second world war to remove two centuries' incrustation of sulphurous grime.

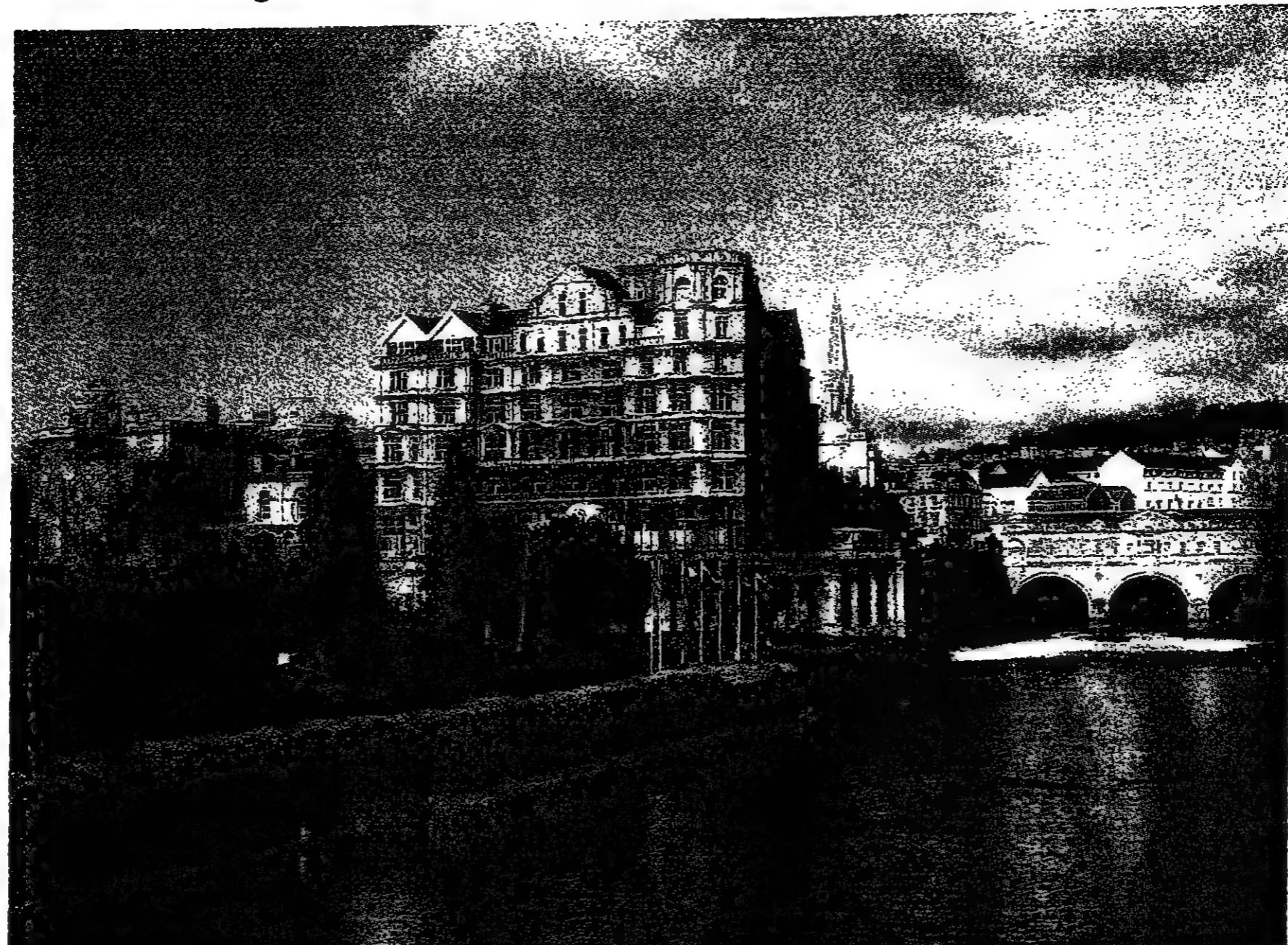
In The Circus eight houses were cleaned between 1955 and 1960. But by 1989 six of these were deteriorating and needed cleaning again. The west front of Bath Abbey had the same problem. What had gone wrong?

The most likely culprit, as a 1988 Bath City Council report on Acid Rain and the Cleaning and Conservation of Stonework in Bath suggests, is the exhaust emissions from vehicles.

An estimated 5,000 vehicles a day, including lorries, pound round The Circus. Vivienne Rae-Ellis, chairman of the Circus Area Residents' Association, who lives at No 17 (where Gainsborough lived), finds that 98.5 per cent of the vehicles do not stop for business in there but are simply driving through.

The most hated vehicles, she says, are open-top tourist buses which trundle through several times an hour, every day of the week, with perhaps only a handful of tourists on board. The visitors often peer into first-floor rooms and spoil residents' privacy. "We are not a snooty elite," she adds.

Coaches are another curse. Since they



Top: the former Empire Hotel is now being turned into a top-class retirement home by Pegasus, with flats priced between £160,000 and £490,000. Bottom left: The Circus, Bath - last year Savills sold a whole house there for around £550,000. Bottom right: an aerial view of The Circus and Royal Crescent

are banned from the Royal Crescent, they stop in The Circus to discharge passengers to walk along Brock Street (which connects The Circus and the Royal Crescent) and wait 20 minutes, illegally, their engines running, for them to return.

Apart from the long-term damage from vehicle exhausts, the double-decker buses are a visual blight. They are out of proportion in The Woods' great urban "rooms", and destroy the space and feel of them. The Woods designed these buildings to be

seen on foot or from the level of a sedan chair - Bath chairs came later - forcing people to look up at the majesty of their creation, not down from the upper deck of a bus.

The solution is to make visitors walk in

The Circus. The Residents' Association has proposed to Avon County Council that it bollard off Gay Street (the main entrance/exit for The Circus) and make The Circus access-only from the other two streets. Avon is referring the matter to the

new Bath and North East Somerset unitary authority which takes control on April 1. Eliminating through traffic to save The Circus would be a wonderful way to start work.

Flats in Georgian Bath cost from £50,000 (one bedroom) to around £330,000 (depending on size, access to the garden, etc), says Cobb. His company has two on offer in The Circus: a first floor flat at £105,000, and a top-floor maisonette at £187,000. Last year Savills sold a whole house in The Circus for around £550,000, while a house in the Royal Crescent went for more than £900,000. That included freehold garages which are a valuable commodity in Bath, says Cobb.

In Great Pulteney Street, on the far side of the road, Robert Adam's Pulteney Bridge over the river Avon, no 77 is a refurbishment (by Radbourne Estates) where two flats (with garage) are available through Cobb Farr at £225,000 and £250,000.

Beside the bridge an impressive conversion of the former Empire Hotel is now in progress. Used by the Admiralty from 1938 to 1989, it is being turned into a top-class retirement home by Pegasus, with flats priced between £160,000 and £490,000. It will have shops and a restaurant on the ground floor, and underground parking and, for the first time, the colonnade walk along the river from the bridge to Parade Gardens will be open to the non-paying public. One must be 55 or over to buy in the Empire.

The alternative smart development, with no age bar, is Beaufort Homes' Cavendish Lodge on the hill below Lansdown Crescent. Architect William Bertram has designed - after many planning sags - a Palladian villa in 3 acres with 20 flats and two lodges at prices between £285,000 and £310,000. Savills is the agent.

Other options are a modern mews house off Great Pulteney Street at £142,500 (Cobb Farr), or a substantial Victorian villa (semi-detached) on the edge of the city at Weston Park for £280,000 or a converted tithe barn at Bathaston for £500,000 (both Cluttons).

West of Bath, Chappell & Matthews offers a good Georgian village house in Ubley for £245,000, and Hamptons' converted mill at North Wootton for £230,000.

To the east Middle Hill House at Box near Corsham is a Georgian house with glass verandas on two sides, and fine garden cottage and 5 acres, at £340,000 from Hamptons or Savills. At Beechfield Park in Corsham Gleeson Homes is building houses between £170,000 and £230,000 (inquiries to Savills).

The most unusual house for sale outside Bath is Freshford Manor, in the village nicknamed "HMS Freshford" because so many retired naval officers have lived there. Six miles from Bath, the house is listed grade II\* and dates from 1700 with many additions, including a Victorian conservatory. The vendors through Cluttons are the Trustees of the American Museum in Bath, whose founders John Judkyn and Daniel Pratt used this house.

The bay windows on the garden side are just like the bays on the garden side of houses in Bath. Much of the decor is American, but the Hogarth room, with Hogarth cartoons set into the wall, is definitely British. The price is £500,000. Buyers should expect to spend at least £200,000 more on renovating, but the result will be a rare house where you may drink gin with the navy - Hogarth would approve or offer a dry martini.

Chappell & Matthews, *Cheva Magna* (tel: 01275-33199); *Charterhouse International*, Bath (01225-482727); *Cluttons*, Bath (01225-469511); *Cobb Farr*, Bath (01225-333339); *Hamptons*, Cheva Magna (01275-332323); *Humbers*, Chippenham (01249-445553); *Pegasus Retirement Homes*, Cheltenham (01242-576610); *Savills*, Bath (01225-446221).

use of public funds, unless it was regarded as cost-effective. The RSPB, awash with funds, with some audacity, complained to Sir Hector about his policy of donor restraint.

Land now owned by charities adds up to a substantial amount, and the way the various properties are managed will have an impact, possibly severe, on their neighbours. For example, if predators such as foxes are not controlled they will make adjacent grouse-moor management even more problematical than it already is.

What are the private thoughts of the native people? Eking out their living in the "priority habitat", to whom the invasion of fresh-faced environmentalists is just another wave of colonists, and to whom the whole process is the gradual conversion of a working environment into one gigantic nature reserve? Says one: "It's just a damn racket."

I used to be worth buying a Scottish Highland estate only if you had money to burn. But that traditional view has been superseded by a new phenomenon.

The pattern of ownership is changing, and the new big-time players are charities. The Royal Society for the Protection of Birds alone has more than 50 estates. Around Christmas 1994, it bought the peatlands estate of Forsinard in Sutherland for £800,000. The initial appeal rapidly raised £1.5m; a follow-up appeal for funds with which to run the property is still accumulating.

But the trend was set in the 1980s. The case which whetted conservationists' appetites was Knoydart, the enormous rugged area of deer forest in the Western Highlands.

Its owner, tired of losing a six-figure sum annually in maintaining this trackless mountainous promontory,

found that his notices of sale stirred a feverish conservation bandwagon.

Eventually, after objections that a possible purchaser could be the Ministry of Defence, whose conservation credentials, as it happens, are good, the conservation consortium collapsed. The wilderness kingdom was bought by a developer who carved it up and sold the chunks. The last chunk is on the market now.

The next "last wilderness" was the celebrated Mar Lodge, adjacent to Balloch, itself once the hunting ground of Scottish kings, which was owned by an absentee landlord, the American John Kluge. Mar Lodge contained remnants of so-called "priority

habitat", namely former Caledonian Forest, composed of Scots pines.

Another furore ensued: such important heritage land, it was said, should not be the bane of a rich American, and that the government should effect a rescue. Wisely, the government did not intervene.

Last year a deal was struck: £5.5m was paid by the National Trust for Scotland, a private charity, aided by the National Heritage Memorial Fund.

The result was viewed with chagrin by the RSPB which had wanted to add Mar Lodge to its other landholdings.

Earlier figures bandied about for Mar Lodge, in the region of £10m, were passed

over by the American owner because, it is suspected, he found the National Trust for Scotland's wide-ranging and traditionalist land use ideas more palatable than those of single interest pressure groups.

So the list of large Scottish Highland estates bought by charities in the past few years now includes the 77,000 acre Mar Lodge, Glenfeshie (42,000 acres, bought by Will Woodlands), West Affric (9,000 acres, National Trust for Scotland), Forsinard (17,500 acres, RSPB), Abernethy (31,600 acres, RSPB) and Sandwood Bay (11,000 acres, John Muir Trust). This trend of transferring large Scottish Highland estates from private ownership

into the hands of charitable trusts is set to accelerate.

Participation by the National Heritage Memorial Fund in the land market in Scotland, along with the rest of Britain, will be augmented by the National Lottery, of which 28 per cent of its proceeds are allocated to good causes. A fifth of this formidable sum is for distribution by the NHRMF. In the past six years the NHRMF has spent 10 per cent of its budget on land purchases.

The fund only supports charities or public bodies. Already the NHRMF has contributed £500,000 towards the RSPB purchase of Abernethy. It was involved, too, in the enlargement of Abernethy on to Loch

Garten, and in the Sandwood Bay purchase. The fourth list of Heritage Lottery Fund beneficiaries, published last September, features the RSPB again, £267,000 going towards the acquisition of Blaen Estate in Inverness.

Happily for the RSPB, its involvement with Forsinard does not stop with its own fund-raising. A further £325,000 is guaranteed, on a pound-for-pound basis, by the conservation arm of the European Union Life fund, which is capitalised at £37m.

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and the government's nature agency in Scotland, Scottish Natural Heritage, is available for general ecological restoration schemes in the Highlands.

The cross-funding of charities, trusts and government aid agencies can be confusing. The National Trust for Scotland, for example, gets 20 per cent of its £13m income from government agencies and departments including the Scottish Tourist Board.

The role of SNH in directly assisting land purchases, including those by crofters, has become a sensitive matter. Sir Hector Munro, a former Scottish Office minister, considered it an improper

use of public funds, unless it was regarded as cost-effective. The RSPB, awash with funds, with some audacity, complained to Sir Hector about his policy of donor restraint.

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## Battles for the Scottish Highlands

**Michael Wigan wonders if a working environment is about to become one gigantic nature reserve**

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Gardening / Robin Lane Fox

## Learn to appreciate the willow

look backwards and imitate the famous Miss Jekyll. She wrote a famous book, *Wall, Water and Woodland*, but it is strangely unhelpful about willows although they are ideally suited to two of her three subjects.

She refers to the forms with red twigs, but gives no names and refers on in a single paragraph. Those who really want the true Jekyll style have to deny themselves so much which has been more fully studied and appreciated since she wrote.

Willows now run to more than 120 varieties in commerce and it takes an experienced eye to know what to pick. My eye was first alerted by Keith Steadman, the Gloucestershire gardener and former nursery-

man who even sold *Salix bockii* in the early 1970s. Among botanists, primrose Warburton has given over a generous area of garden woodland to the family and observed their small variations. Unfamiliar forms keep turning up at spring flower shows and winning medals because the stems are so easy to grow and show impeccably. My choices have expanded over the past 10 years and no doubt there are more surprises to come.

One of the best surprises has been the newly prominent form, *Salix acutifolia* Blue Street. This very strong variety has stems with a white bloom and a slightly weeping shape, while the narrow leaves are a combination of silver and blue-green. It is extremely smart,

but needs space in which to develop its drooping habit. It now has the Award of Garden Merit and in my experience, does not insist on wet soil or a summer unlike 1985.

The most enchanting form of shrub is now *Salix Daphneia* Aglaia which has won the same award and is harder to find in the trade. It is quite tall, but its stems spread at various angles and are a pleasure to see as a skeleton without leaves. Their wood is plum-coloured and the buds this week are the silkiest and shiniest silver waiting to open into yellow catkins.

It can be cut to retain the height of a reasonable shrub, but it will make a small tree if left alone. It belongs in the first class of plants of this size, especially at the edges of a formal garden which is drifting away into something rougher and wilder.

In Sissinghurst's White Garden, there is a willow among the impos-



ing silver thistles, although visitors often miss it as a necessary companion to all the flowers. *Salix Alba* Sericea is silver all over and not nearly so rampant as many in the family. In a white garden, it can be pruned fiercely and its roots will not run so widely that it becomes a nuisance.

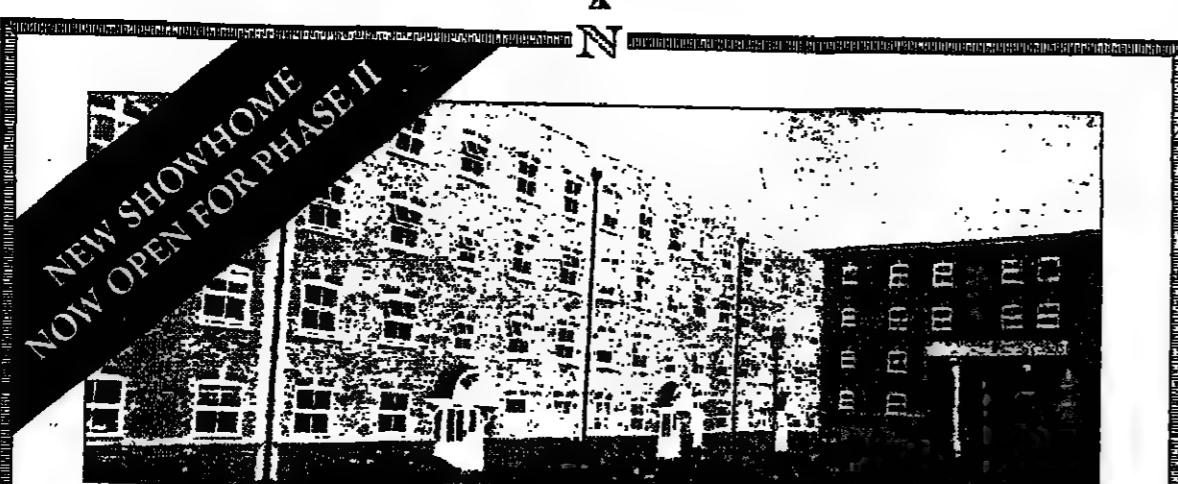
Willows have attracted several scholars whom I have been lucky enough to know in their work and gardens. Perhaps the attraction is that they look after themselves for most of the year and appeal to an eye with time on its side in so many different ways, the stems, the catkins, the leaves and the shape.

One of the keenest growers, Nancy Saunders, was both a scholar of difficult cuneiform and a great

connoisseur of willows: she is now commemorated by her superb form of the purple-stemmed osier, *Salix Purpurea* Nancy Saunders. Severe pruning improves it every spring, but it is not at all difficult or insistent on wet soil.

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## LONDON PROPERTY



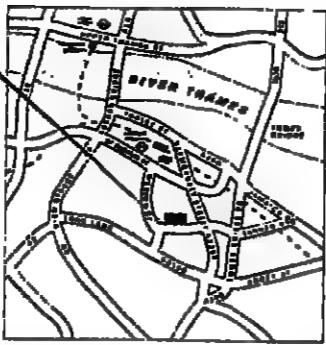
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## TRAVEL

# Seeing is believing the terracotta men

Adam Hopkins visits a remarkable excavation site in China, outside one of the world's most polluted cities

**W**e were all waiting like children for the circus, or like pilgrims in St Peter's Square in Rome for the Pope to appear. For this was the day of our visit to the Terracotta Warriors of Xian and the bus would soon be here to take us.

We were a party of 16, all of us on a first tour of China. For some a visit to the warriors had been an aspiration of two decades, since the first news that an army of make-believe soldiers in terracotta - about 6,000 of them - had been discovered, drawn up in a pit, in military formation, a mile from the tomb of the first emperor of all China.

It was clear that their job, in imagination at least, had been to protect the dead emperor from dangers in the underworld - a bid, maybe symbolic, maybe seriously intended, for imperial immortality. The warriors were undoubtedly one of the greatest finds of the 20th century.

The emperor's tomb itself has never been dug. It is a vast artificial hill and would need a roof before it could be excavated, apparently a technical impossibility. But it may be that there are more warriors and other important artefacts, which are easier to reach, in the areas outside the tomb.

Even for those of us who had not pondered these matters, it was clear the visit was to be a highlight on our travels.

After all, there cannot be many people who have not seen at least a picture of those strange terracotta men of war, bearded or moustachioed, the features of each one distinct, armour and hairstyles according to military rank, generals and private soldiers, archers, charioteers and swordsmen, who had lurked so long beneath the surface of the earth - more than 2,000 years, in fact - And now we were to see them ourselves.

Already we had received few shocks to add piquancy to the forthcoming visit.

Boeing, our starting point, had turned out to be both friendly - unexpected - and a feast of commercialism near the tourist hotspots, with vendors frantic to get rid of copies of Mao's Little Red Book, presumably remaindered.

But by and large the mighty city of Beijing had been a huge success for us, far more life-giving than the opposite, and confirming one important preconception - those hordes of bicycles really do exist.

Xian, on the other hand, looked grey and dour as we rolled in from the airport



Xian's city wall and gate

Adam Hopkins

across a flat and unattractive landscape and one which seemed like an adventure playground for the larger kind of power station. The people looked grey, too, their faces closed against the wind and world.

Things soon got better, despite a warning from Jennifer that it might not be a good idea to walk about after dark.

Smoke poured into the air and even "Jennifer", the European name adopted by our guide - supplied by the Xian branch of Cits, the inescapable Chinese International Travel Service - was moved to comment in slightly doubtful tones.

"Here the scenery is only so-so," she said, "but we have a lot of antiquities." Then she added, unexpectedly: "Also Xian is one of the most polluted cities on earth."

As for the antiquities, Xian ought to have a few, for it was not only the capital of the first empire to unify the warring Chinese states, just at the time when the Roman empire was getting itself together; it remained the top Chinese city, one of the most powerful and populous on earth, for 1,000 years, right up to the end of the Tang dynasty in the 8th century AD. Even after that it was an important place.

My guide book told me that it had magnificent pagodas from the 7th and 8th centuries, tall towers and a complete set of walls from the Ming dynasty, in the 1700s.

Meanwhile, the Terracotta Warriors stood in their pit, or rather pits, about 30km from the city at a spot made proportions by the conjunction of the Qinling Mountains (Qin pronounced as "chin") and the life-giving Wei River (pronounced wee), and a short way downstream turning into the Yellow River.

All of this had to be pretty special, not just the Terracotta Warriors.

So far the only good thing we had seen on entry to Xian was the parking area for

We began to get the idea some kilometres before we arrived, with brashly vulgar buildings gathering along the roadside and stalls of touristy knick-knacks. But nothing could have prepared us for what was to follow.

Our bus parked, the approach to the warriors was in our case through a carpet shop, where a few salespersons besieged us to part with sums of money. We pressed on bravely. The only backsiders were Doreen and Daisy, both from Barnsley, South Yorkshire, and Julie, from Essex by way of East Africa. They each had a keen eye for a bargain, and were not to be entirely trusted if there was a shopping opportunity about.

The carpet shop - I think I know why our bus had parked behind it - finally gave access to a central avenue wider than Pall Mall. On either side was an outdoor emporium selling postcards, rolls of film, sweet potatoes, clothing, jewellery, half-cured goatskins, pottery horses - replicas of the real, unreal thing - and heavens knows what else. Vast outdoor restaurants with trestle tables offered vast quantities of noodle.

We strolled along this course, occasionally pausing for Doreen, Daisy and Julie, towards what looked like a vast aircraft hangar.

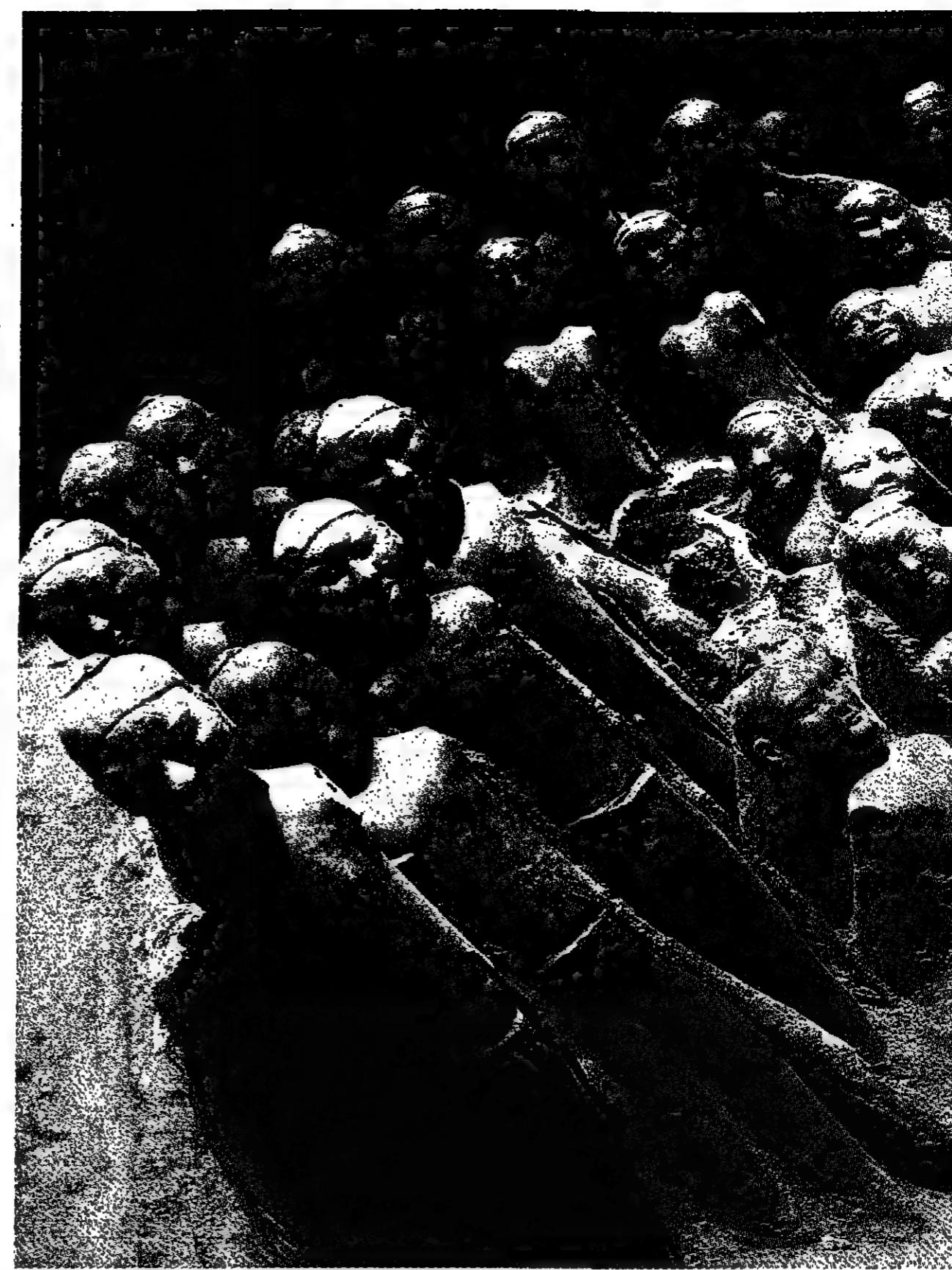
Before we entered we turned aside to watch a film at a new cinema in the round - extremely instructive, too, even if it had a touch of *Conan the Barbarian*, with warring riders charging round the circumference and many thousands of workers struggling to fashion the tomb of the emperor and the terracotta army. There was also a small museum showing the extraordinarily lovely bronze horses and chariots excavated from another nearby site in 1980.

But the warriors themselves, they were our deepest destination.

In the end, the most important thing about them is simply that they are there, under the hangar roof, guarded by a uniformed figure marching up and down on a high date. They look just as I had seen and imagined them, in long and complex columns in their several parallel pits, which look in turn like deeply sunken roads.

They are both present and in a sense not present, since the mad enterprise that fashioned them is almost, but not absolutely, unimaginable.

The main pit contains the soldiers. Another, a short way off under another roof, contains what may have been the army headquarters. For here



The Terracotta Warriors of Xian: one of the greatest finds of the 20th century

National Geographic

disobeyed and found the bigger streets round our hotel no place for chat - so much so that I began to rest my hand protectively on top of my money belt. But I had a lot of fun walking down a little market lane behind, full of stalls, selling fatty pork and offal, with live carp in shallow tanks. At tiny pavement restaurants people were eating noodles, the staple food of the province of Shaanxi.

There were a few folk down the lane who were ready with a simple joke and smile and I stopped for a beer and my first pavement meal. It was delicious but at a special rip-off rate for tourists. The restaurateur shook me by the hand after accepting my ransom money, his hands as greasy as his cigarette.

So it was with mixed feelings about Xian and its people that I waited with the group next morning to make the acquaintance of the warriors. For here

there are generals, larger than the common soldiers. It is clear - which I did not realise at first - that much restoration has taken place, more on the soldiers, less on the generals.

For in the troubles that followed the death of the emperor Qin Shihuang, the boss figure in question, a rebel force entered the pits and burned the (buried) wooden roofs installed over the pits, so that the soldiers underneath collapsed like genuine dead men. The archaeologists have pulled them up and stuck them back together, often constructing an individual from shattered fragments.

Jennifer explained the general principles and might have said a little more if we had been better students. But she showed us one thing which I shall remember - the place, at the outside edge of the pit, where local peasants, digging a well in 1974 in what was then a simple country district, found the first of the warriors. They told the authorities, which somehow might not have done.

"And what was their reward?" A little money and Mao's Red Book," replied Jennifer.

■ Adam Hopkins travelled with Tours, tel: 01306 853591. The 15-day Romantic China Tour costs from £1,995 a person.

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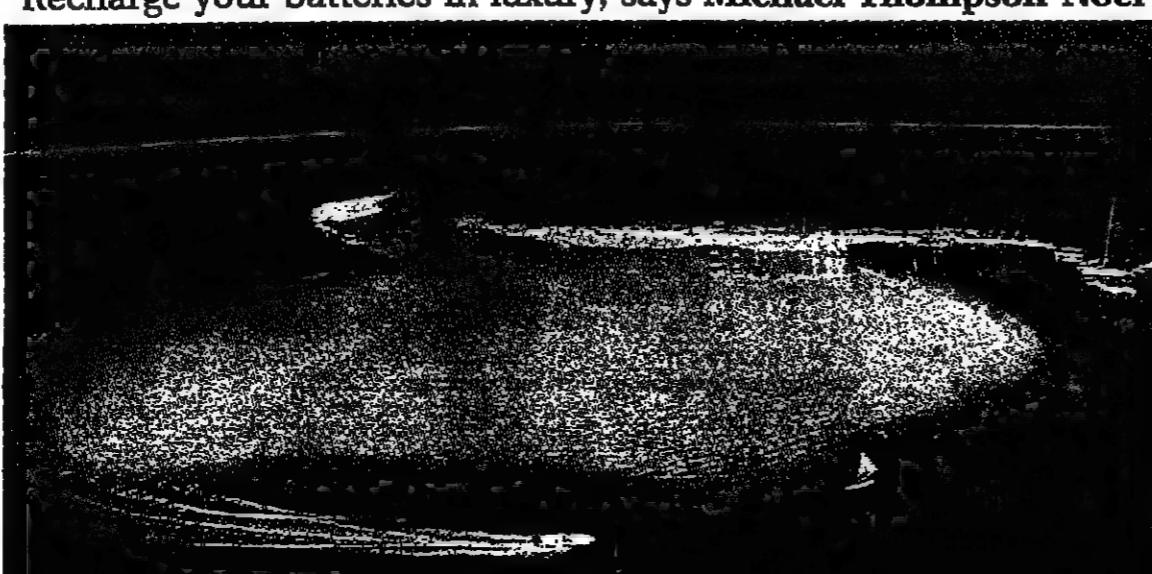
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# A hotel is all you need

Recharge your batteries in luxury, says Michael Thompson-Noel



Pleasure playground: Le aux Cerfs

Some people bridle at the phrase "hotel holiday", because it affronts them. They believe holidays should be packed with incident or with cultural excitement: temples, bongo dancing, peculiar rites and practices - anything, so long as it is uplifting. Hollies, they believe, help to broaden the mind.

But there is an alternative point of view, especially among sybarites. Sybarites believe that the way to broaden the mind is to stay at home, whereas the point of holidays is to lounge about in luxury and recharge the battery.

What we have here is not really a dichotomy. Few sybarites believe there is anything wrong with sightseeing, if that is what turns you on. But then neither is there anything to be said against the opposite sort of holiday: the do-nothing holiday, especially if you have been lucky enough to find your way to an outstanding hotel.

Not surprisingly, a really good hotel is the *sine qua non* of a hotel holiday, which can be defined as a holiday spent almost entirely - or even entirely - within the confines (gardens, grounds, beach) of your hotel.

Peculiar? Not at all, although it is generally true that a hotel holiday comes fully into its own if you are holidaying in the tropics, particularly on an island. You do not have to be jaded to discover that tropical islands are remarkably similar, whether you have visited five or 50.

I have visited 60. It may even be 70. Northern hemisphere. Southern hemisphere. Small ones. Big ones. And always the same deal: turquoise sea; coral-girt beaches; coconuts; pelicans (various sub-species); mountains (sometimes); a dry season and a wet season, or maybe two of each; and some natives, who often resent us, however well they hide it, because we are rubbish - ugly, tourist rubbish. There really isn't much culture on a tropical island, unless you count basket-weaving, which I tend to not.

The attractions of a hotel holiday first pressed themselves on me in Jamaica. I was not happy in Jamaica. A large and beautiful (4,411 square miles, with dramatic mountains and valleys; perhaps the loveliest island

in the East or West Indies. Yet I found it sinister. I was really sorry about Hyatt.

The guests knew exactly what they wanted of Bali - climate, beach, serenity and top-class service - and were happily paying for it. The staff outside the gates - temple, rice terrace, willing beach-boys - was just local colour, amusing enough, if you wanted some, but not essential.

Another island that specialises in hotel holidays is Mauritius: fairly large, though smaller than Jamaica or Bali. Mauritius is usually described as a melting pot of cultures - Indian, French, Creole, Moslem, Chinese - and the locals are a treat. In addition, it is famous for restricting tourist numbers. It pursues quality, not quantity, which has given it a reputation for lofty standards of service and accommodation.

Apart from the Royal Palm hotel, which is just outside fashionable Grand Baie, so that guests can make use of nearby restaurants and nightclubs, most of the best hotels in Mauritius are secluded. Guests stay close to the beach all day long.

I stayed at Le Touessrok and Le St. Geran. Both are managed by Sol Kerzner's Sun International, which pays great attention to the location of its hotels. Its Palace of the Lost City,

drive vehicle for about £385 a week, and flit about merrily. (You can ignore Port Louis, one of the dreariest capitals I ever set eyes on.)

I had forgotten my UK driving licence, so was unable to skid around. But lack of a vehicle did not matter. I went for walks. Patrolled the beach. Insinuated myself into people's affairs. I could feel my mind broadening.

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## OUTDOORS

Skiing / Arnie Wilson

# If you can't beat them, join them

**I**t was the moment I had dreaded for years. After years of fighting the tendency, I was about to become one of THEM. A shredder. It was cross-over time - a lifelong skier surrendering to the other side.

When snowboarders first appeared in my peripheral vision, I had dismissed them as a minor and irrelevant irritation. I never dreamt that one day (today) I would be forced to join them.

As boarders proliferated on slopes once reserved for skiers, they became the enemy. As they launched themselves like missiles from the trees, forcing me to avoid them, an element of paranoia crept into my days on the slopes.

Twice in the French Alps, snowboarders knocked me off my skis while I was standing still, admiring the view. In Whistler, British Columbia, two boarders leapt from a cliff into my path, whistling past my head. In Crested Butte, Colorado, I was cruising down Poverty Gulch when a snowboarder cut me up. I was blamed for the resulting collision. Then, early last winter in Mammoth, California, I found myself the only skier in a lift-line of snowboarders.

The enemy was all around. By now some of my closest friends were starting to defect. It was clear that I could not beat them. I would have to join them.

This winter at Aspen, I took the agonising decision to leave my faithful Salomon skis in the locker room at the Ritz Carlton, and disconsolately - for the first time in my life - picked up a snowboard.

**T**he VW Polo Harlequin had a yellow front bumper, a green back one, a red roof and green bonnet; blue front wings, yellow front and green rear doors; a yellow tailgate and red door sills.

What would you have made of it? Had the computer thrown a wobbly and sent all the wrong bits down the assembly line? Perhaps a keen do-it-yourself owner had rolled it over and raided scrap yards to rebuild it. Or was it owned by a paint company which made it do double duty as a rep's car and mobile showcase?

As it stood in my drive I found it embarrassing: I was embarrassed as one might feel on an early morning business train to London, dressed as Coco the Clown, ready for a fancy dress party that evening.

Perhaps I should drive it only at night when the bizarre colours were less obvious and I might not be recognised. Or before using it in daytime, should I stick a notice on the windscreen saying: "This is not

Cliff Ahumada, my instructor - a seriously good boarder often photographed for snowboard magazines - seemed human enough. I, on the other hand, felt like something from another planet as I struggled off the Summit Express quad chair at Buttermilk for my baptism on board.

It seemed all wrong. Here I was, skiing on Aspen's beginner slopes, feeling all the anxiety of a novice skier I had last left as a 16-year-old in Andermatt. But now it was worse, because I was no longer, by any stretch of the imagination, a supple-bodied youth.

There was one consolation. I was allowed to keep my ski poles - and a certain amount of dignity.

The Boone Lennon "quick carve" technique is aimed specifically at people who take up snowboarding from a background of proficient skiing. Skiers who switch to snowboarding tend to have to endure a series of painful crashes during the first day or two, followed by an encouragingly fast learning curve.

Using poles produces a strange hybrid of boarding and skiing - ski-boarding - designed to make the first day or two less violent, thus encouraging skiers to keep trying.

Not that you need to throw your poles away when you have learned. Boone Lennon, a former US national team coach, uses them regularly, and according to Snowboard Life magazine, he can "carve like nobody's business".

To begin with, I could hardly move, let alone carve. With my feet locked at 65 degrees on to

my Rossignol race board with plate bindings (much closer to the skiing experience than the ubiquitous freestyle board), I set off gingerly for my first traverse. My legs began to ache almost immediately. "You're using different muscles - or at least different parts of the muscles you use for skiing," explained Cliff.

More small traverses, punctuated by gentle falls. The poles were working. Even so, I

was soon almost exhausted. Getting up unaided seemed almost impossible.

Then, in spite of the poles, I experienced my first seriously painful fall. Trying to pick myself up, I started searching for my second board. Should I not have two - one for each foot? Having poles seemed to perpetuate the feeling that "ski-boarding" was more like skating than boarding.

It was time for me to try two linked turns. But a group of beginner skiers, which I would normally not have noticed during a surge down the mountain on skis, was there to witness my efforts. They were

descending the easy gradient

■ Arnie Wilson's "ski-board" lesson was arranged by Stefan Kaelin's Parabolic Shop, 447 East Cooper Avenue, Aspen. His visit to Colorado was arranged by Ski: The American Dream, 0181-532 1201.

at about the same rate as me. This could be embarrassing. They were bound to see me fall. More images of my novice days on skis flashed before me. I waited, muscles aching, until they skied off, before trying my boarding breakthrough.

It was not pretty to watch, but it worked. At the end of one traverse I somehow managed to jerk my board from one edge to the other, nervously achieving a change of direction.

I had made my first turn on a snowboard. I tried it again. Soon the turns were coming faster. After an hour, I was able to turn both ways on a gentle slope, linking as many as a dozen turns together. And I had had only one bruising fall. It was time to stop while I was winning.

The poles had been the secret of my limited success. Without them I would have been black and blue.

The quick carve method is targeted at strong skiers who can apply the angulation and edge control they have learned from skiing to boarding. Lennon claims students using this method can learn to carve turns in two hours with few falls.

I am no snowboarder yet. But at least I have now tried it. Unlike some, I have no plans to switch allegiance and am now returning to my beloved skis. So will I flirt with a board again? We shall see.

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The enemy: As boarders launched themselves from the trees, an element of paranoia crept into my days on the slopes

## Motoring / Stuart Marshall

# Indulgence in a multi-coloured coat

have lusted after a deux chevaux with a Knickerbocker Glory paint job are natural buyers.

I doubt that anyone over 30 would want to be seen dead in one, although I admit the Harlequin does have an upside. If you had forgotten where you had left it in an off-airport car park, you would probably spot it from several thousand feet up when you flew back. And a car thief would have to be pretty desperate to think of stealing anything so instantly recognisable.

Under its many-coloured coat, the Harlequin is a normal Polo 1.4-litre CL, 5-door hatchback which makes it, arguably, the best supermini-type car money can buy.

The engine, new for 1996, at

4,700rpm. Although it spins silkily up to 5,000rpm and more, its maximum torque (the point at which it pulls hardest) is developed at 3,200rpm.

As overall gearing is low at

18.3mph/29.5kph per 1,000rpm

in fifth, the Polo's delicately light gearbox and clutch are little used on a main road journey.

The engine is so quiet at

motorway speeds that the main source of noise is the

rumble and hiss of the low profile (56 series) tyres. This is never oppressive, nor do the tyres thump or bang excessively on bad roads. They just provide quick steering response and lots of cornering

grip, and power assistance takes all the effort out of parking.

Petrol consumption should average 44mpg (6.42/100km)

on journeys. Only optimists (and investigative television

programmes) seriously expect much better than 30mpg (9.41/100km) from any small petrol-engined car if it spends most of its life on short trips in heavy traffic with plenty of cold starts.

In the recent bitter weather, the heater was ferociously effective.

The Harlequin has been on sale in Germany with a choice of several engines since its launch at the Frankfurt Show last autumn. In Britain, where it will be available in a few weeks, there will only be one model, the 1.4-litre CL.

List price is expected to be less than £11,000, which includes heated seats and power-adjusted outside mirrors, electric front windows, alloy wheels, remotely controlled central locking with engine immobiliser and a steering wheel bound in blue leather.

When German buyers order a Harlequin, they know it will be yellow, red, blue and green but have no idea which part will be which colour when it arrives in 10 weeks. VW (GB) says that is all part of the fun and plans to do the same in Britain.

The pre-production right-hand-drive Harlequin I tried had fairly conventional cloth seats. For the regular production cars, something jazzier is planned - "Picasso-ish" according to my informant.

But fear not; there will not be four different seats in each car.



Volkswagen Polo Harlequin: targeted at the young and trendy

## Country Notes / M.I.L. Roberts

# That damned, elusive car mouse

**D**uring the summer a mouse took up residence in my car. Its presence was discovered when I changed to take a newish AA book out of the glove compartment and saw that it had been chewed by small teeth.

Closer inspection revealed

that a number of small

packets of biscuits, left over

from a child's outing, had also been demolished. Small black droppings gave a clue as to the culprit.

But what sort of mouse

lives in a car?

Reference books

on British mammals list

numerous shrews and voles,

two types of rats, plus harvest mice, field mice, dormice and house mice, but make no reference to car mice.

It had probably got into the vehicle the previous week, either when some boxes of old clothes had been collected from a neighbour's out-house and delivered to a charity shop or when bales of hay had been collected from a local farmer.

The obvious question was:

is the little beast still about?

To help answer that I gave

the inside of the car an

uncustomised vacuum and

dusting until it was as clean as

any school run/shopping car ever gets.

I then waited to see what happened. The next day brought an answer: the mouse was still in residence.

In a modern car there are probably not many places where a mouse can hide and also hope to survive daily journeys to and from school and the shops, without it either being fried or frozen to death. But my car was a distinctly elderly BMW converted from a saloon car into an estate car by a firm of coachbuilders.

I briefly wondered whether BMW's impressive workshop manual might include any references to rodent control in their vehicles - but dismissed that thought and set about trying to catch the animal.

So far as I could make out the mouse was living on fragments of potato crisp, biscuit crumbs and the poppy

seeds that fall off bread rolls and which, in time, had got jammed into nooks and crannies and down the sides of carpets. When it got bored, it turned to shredding the AA book.

To end its nightly capers I took to setting traps around the car in places which the mouse seemed to favour: the glove compartment, the dashboard shelf, the spare wheel-well and so on. To tempt it, traps were baited with bread, cheese, walnuts and pony nuts - the latter is always a winner with our

stable mice - but the car mouse ignored the lot. It then struck me that the mouse might actually live in the garage and merely break into the car at night so, for several nights, the BMW was parked outside the front door: the mouse did live in the car.

As Baroness Orczy wrote of *The Scarlet Pimpernel*: "They seek him here, they seek him there..." For nearly a month the car mouse survived and probably thrived. It was not until the car was parked all day in a scorchingly hot car park that it eventually quit. I say quit, because there were none of those strange smells, as when a mouse dies under the floorboards or gets crushed between the springs of a sofa. I was happy to see the back of it but did feel a grudging respect for the little wretch. I wonder whose car it went into after leaving mine?

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## FOOD AND DRINK

Wine / Jancis Robinson

# Chiantishire – such a boar

The Tuscan landscape, which has for centuries provided northern European holidaymakers with vistas more or less unchanged since the Middle Ages, is about to change substantially.

Many of the thousands of tourists who invade Chiantishire each summer are already aware that they owe their rustic accommodation to the longstanding *mezzadria*, or sharecropping system. Tuscan landowners divided their estates among peasant farmers, so the landscape is dotted with the harmonious, ancient buildings which housed them and their families.

Since the *mezzadria* was effectively outlawed in the 1960s, leading to a population drift to the cities, more of these buildings have been abandoned. Agrotourism is their new fate, as estates which once supported 100 to 200 people are now run by one family, a handful of labourers and their machines.

The gentrification of old agricultural properties has had little serious visual impact on the Tuscan hills, apart from the odd splash of turquoise for every pool installed, and the annual, but temporary, influx of Mercedes and Volvos.

What may, indirectly, cause more obvious damage to this countryside of unparalleled beauty is the particular strain of wild boar imported from eastern Europe in the 1960s by Italy's hunters to supplement the local *cinghiale morettino*.

It is considerably bigger, stronger and more ferocious than the indigenous swine. It also loves nothing more than ripe, sweet, juicy grapes, and seems to be extremely good at sniffing out the perfect moment to seize them from the vine, just before they were about to be picked and turned into wine.

The result is that vine-growers are becoming increasingly incensed about this new threat to their livelihood and are having to build not just little fences to keep such determined beasts out, but serious fortifications. Tuscany and Colditz seems an unhappy alliance.

Last year at the respected but small Isole e Olena estate north of

Poggibonsi someone had to spend several nights on guard in their most valued vineyard as the grapes neared perfect ripeness.

Even so, Paolo De Marchi reckons he lost 20 per cent of his 1995 crop and expects that proportion to increase with a wild boar population that already totals 30,000 in the wooded hills around Florence and more than that around Siena.

"We have a big fight with the hunters, but there are more hunters than vine-growers so we get no help from the local politicians."

Marchese Piero Antinori, owner of substantial vineyards throughout

#### Buying good chianti

Adam Bencroft of London SW6 (0171-733 0422) has a particularly interesting selection of individualistic Tuscan wines.

■ Velvets & Croissants of Edinburgh (0131-558 6056) and Enoteca Winecellars of London SW18 (0181-871 2688) are trustworthy Italian specialists offering a wide range to mail order customers too.

■ A. Sartori of London W8, SW10 and SW13 (0171-578 4767) has made a specialty of Tuscany's up-and-coming estates.

central Italy and beyond, is more sanguine about these new super-boars, as befits the 25th generation head of his family's Florentine wine business. He thinks the boars may be deterred by mobile electric fences (which could have a considerable effect on local tourists too).

He is much more worried about the vine disease *esca* which is having a severe effect on the vineyards of Tuscany. Even the most casual observer can see that many of these vine-covered hillsides seem to have succumbed to a sort of alopecia. The luxuriant growth is punctuated with patches of dead vines.

*Esca*, which affects weak vines particularly, is caused by a mysterious fungus that can travel on vineyard equipment.

Average vineyard yields in Tuscany may look impressively modest to statisticians but this is nothing to do with producing concentrated fruit. It is largely because *esca* has

claimed up to 40 per cent of the vines in a typical vineyard, one planted in a hurry in the 1980s as landowners rapidly switched from the haphazard, mixed-crop plantings of the sharecroppers, early self-sufficiency experts, to mechanised, specialised vineyards.

"We're now going through a crucial period," said Antinori as he surveyed a devastated hillside. "We're not like the French who have replanted systematically. Eighty per cent of Chianti Classico vineyards are now more than 30 years old. Yields are falling and the vines need to be replaced. But Chianti Classico must be made from vines at least five years old, so we will have a big shortfall. It will create problems."

Antinori and some other – but by no means all – producers are trying to solve them by creating a new wine category, so that the produce of young vines (and the hugely expensive so-called SuperTuscans languishing outside the embrace of Italian wine law) would simply be called Toscana. A decision is expected soon.

It is small wonder that so many Tuscan brows are knit over the relative merits of various vine densities, rootstocks and clones of their beloved Sangiovese grape. Over the past few years, after many a dalliance with such international grapes as Cabernet Sauvignon and Chardonnay, Tuscan wine producers have regained their faith in Sangiovese. Indeed many can hardly wait for the passing of (yet another) new wine law, allowing chianti to be made exclusively of Sangiovese.

(Ironically, the grafting of unfashionable vine varieties to snazzy grapes, has left the resulting plants much more susceptible to *esca*.)

Thanks to much improved skills in the vineyard and cellar, Chianti is now recognised in Italy, the US, Switzerland, Germany and even in some corners of Britain as a seriously fine wine which truly and uniquely expresses the land from which it comes – and increasingly celebrates the fact that it has managed to escape the twin hazards of *esca* and wild boar.



Tuscany: 80 per cent of Chianti Classico vineyards are now more than 30 years old. Yields are falling and the vines need to be replaced

Tony Stone

The Apprentice, the restaurant attached to Butlers Wharf Chef School, has officially opened its doors after several weeks of trial runs.

Its aim is to alleviate the shortage of restaurant chefs and service staff in the UK and to supplement those chefs trained at British catering colleges who work in hospital, school, hotel and corporate caterers.

The opening is to be welcomed particularly as it is the result of an unusual marriage between the restaurant industry, local authorities and professional bodies. The £500,000 needed to finance the school came from the London Docklands Corporation, Southwark Council and the Hotel and Catering Training Company, while on its board of governors sit representatives from Conran, Caprice and Group Chez Gerard restaurants.

## Chefs' school needs some lessons

Eating Out / Nicholas Lander

### Chefs' school needs some lessons

"Our objectives are three-fold," says John Roberts, the school's director. "First, to rectify the shortage of skilled restauranteur staff; second to enhance the professional skills of those in the industry by bringing in the most respected chefs as teachers; and, finally, to encourage the young and unemployed into the industry on sponsored courses. We can teach 220 on day-release, 35 on full-time courses and we intend to do this not in the classroom but in the kitchen."

What you eat and how you are served at The Apprentice is therefore the school's barometer. It is an L-shaped, low-ceilinged room where, cor-

rectly, the money has been spent on the kitchen rather than the restaurant, which is comfortable but retains a *Comme des Garçons* cool verging on cold. Our waitress had been a carer until she began her six-week food service course. She was by turn nervous, friendly and very nervous but she did not drop anything but she did promptly inform the kitchen when she spotted that we were finishing our first course.

What we ate was variable in quality but undeniably generous. The leek and potato soup was as good as you would find anywhere; a goat's cheese tart had the right flavour but the wrong texture. A big bowl of

spinach and asparagus risotto was suitably nutty but my main course, brill boulangère with céleri purée and a red wine jus, was overcooked. Its description also troubled me. As I read the menu my concern grew. All the French accents were missing and dishes were described mixing English and French.

What I wondered, comes with "turbo of lamb, olive oil mesh, haricot vert?" Just one green bean? This may seem pretty but, as any top chef knows, attention to detail is the secret to culinary success. Prices are not competitive enough, with first courses ranging from £2.50 to £3.75

and main courses £5.25 to £8.50. My lunch for two, three courses each, coffee and four glasses of wine was £23 without a tip. Roberts explained that these prices cover costs and make a return to the school.

However, it is surely more important to fill tables and give students the customers they need. There is no set-price lunch menu and, although prices may seem reasonable compared with other restaurants, they will not tempt new customers from nearby wine bars or pubs.

The Apprentice seats 42 but was no more than half-full on both occasions I ate there. Per-

haps its location, bequeathed by Southwark Council, near three Conran restaurants and the Bengal Clipper pub – and without a view of the river – is a mixed blessing.

Saintly attention too has been paid to wine and the list, with more misspellings, is lacklustre.

Sadly, it appears that there is, as yet, no involvement from London's livery companies, such as the Vintners' or Haberdashers', whose wealth, expertise and century-old interest in supporting educational establishments should have been encouraged.

An example of what the UK's premier chef school must aspire to is the newly opened Culinary Institute of America in St Helena, Napa Valley, California.

Culinary Institute of America in St Helena, Napa Valley, California.

This west coast campus,

teaching kitchens would turn British chefs green with envy.

The UK needs not just more, better trained chefs but it needs to reappreciate and revalue the chef's profession and cast away the Victorian view that chefs are part of the "downstairs" staff.

The Apprentice could make this happen and, with broader support from the British food and wine industries, could mark a milestone in the process.

■ *The Apprentice*, Cardamom Building, 31 Shad Thames, London SE1 2YR. Tel: 0171-234 0254, fax: 0171-403 2688. Lunch Mon-Fri 12.30pm-2.30pm, dinner 6.30pm-8.30pm. It will soon be opening on Saturday and offering courses for amateur cooks.

■ *The Culinary Institute of America*, 2555 Main Street, St Helena, Napa, California 94574. Tel: 001-707 967 1100, fax: 001-707 967 1118.

The days leading up to Ash Wednesday were, by tradition, devoted to the fasting before the 40-day Lenten fast imposed by the Church. On Collop Monday, cooks applied their skills to finishing up every last slice (or collop or escalope) of fresh meat in the larder. And Shrove Tuesday, the day for shriving (or confessing and having sins forgiven), became known as Pancake Day because of the popular practice of whipping up the last eggs, cream and milk – all forbidden during Lent – to make sweet and savoury batters.

The habits of doing penance and fasting throughout Lent have all but died out. But the pancake bonanza of Shrove Tuesday has not only persisted but grown apace – egged on, so speak, by the promotional pushes from marketing boards, lemon juice makers and other trade interests. There are even pancake races in some parts of

## Cookery / Philippa Davenport

### The infinite variety of pancakes

Britain. The range of pancakes has also expanded to include an international assortment with a variety of textures and tastes. Richest and thinnest of all are England's own aptly named quire of paper, oozing cream and flavoured with fortified wine.

Theatrical luvvies and the liqueur-minded may favour flaming crepes Suzette instead, while diehard Scots will stick to the lightest of light Scotch pancakes or drop scones made with crowdie or cream cheese and only a whisper of flour.

Cosmopolitans may ring the changes with delicate Piedmontese cannelloni (made with tender pancakes instead of pasta), yeast and buckwheat blinis, blistered Peking-style

pancakes to wrap round crisp-skinned duck. Breton crêpes dentelles as large and lacy as a doll's shawl, and so on.

Part of me feels that such egg and cream indulgence in this church-less day and age is faintly humbug. Feasts need fats to counterbalance them; hence my choice of recipes today. These are pancakes, all right – cooked in a pan and cut like cakes. Delicious they are, too, but richer in vegetables and only in cholesterol fats.

LEEK AND POTATO PANCAKE (SERVES UP TO 6)

The boiled, grated and fried potato dish known as rosti has always struck me as one of the best things to have emerged from Switzerland. But why boil the potatoes first? If the potatoes are not spread too thickly in the pan, and if the flame is kept moderate, they will cook through perfectly well without over-boiling, as cooks cutting time and corners may have discovered.

Leeks, on the other hand, do need pre-cooking briefly to reduce their bulk and drive off some of their liquid before they are sandwiched between layers of raw potato to make this lighter and fresher tasting variation on the rosti theme.

The extra effort is justified, I believe, for the end result is an excellent and pretty all-in-one vegetable dish that makes a fine partner for such meats and fish as steamed salmon, grilled chicken, cold roast pork and ham carved freshly from the bone. Vegetarians will

enjoy this vegetable pancake on its own or with a salad on the side.

INGREDIENTS: 200g leeks (washed and trimmed weight); 400g potatoes that are neither very floury nor very waxy (such as Estima, Desiree, Romano, Wilja); 2 tablespoons chopped fresh coriander leaves; a little olive oil and

money to the fact that all these places were part of the kingdom of Savoy before 1860.

In Italy and France, socca usually is made and sold as street food. Cooked at home, it makes a choice titbit to partner pre-prandial drinks. But I like it even better for a light supper on a tray by the fire with a bottle of wine, some small black olives, good bread, a crisp salad and perhaps a little sheep or goat's milk cheese on the side.

INGREDIENTS: 150g chick pea or gram flour; 4 tablespoons extra virgin olive oil; about 2 teaspoons chopped fresh rosemary leaves.

SCATTER the leek mixture evenly over the top. Cover with the remaining potatoes and tamp down evenly with the potato masher. Return the pan to moderate heat and cook for about five minutes until the potatoes are half-cooked and the base begins to crisp to a golden crust.

Cover the pan with a large flat plate or similar flat dish that has been warmed in the oven and invert the pancake onto it. Add another few drops of olive oil and another sliver of butter to the pan. Let the fats run all over the pan base and become sizzling hot before sliding the pancake back into the pan.

Cook the second side as before until all the potatoes are tender and the underside is gilded and crisp. Serve piping hot, cut into wedges like a cake and garnished with extra coriander.

SOCCA (SERVES 3-4 FOR SUPPER, MORE AS A SNACK)

Also known as farinata, this chick pea flour and olive oil batter is still to be found in Nice, in the south of France, as well as in Liguria. Piedmont and Sardinia – delicious testi-

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## BOOKS

**T**his book explodes at the time of the Liberation, the purges and the post-war high point of communist influence that French businessmen were nothing but a bunch of collaborators.

The authors paint in plenty of shades of grey between black-hat racketeers like Joseph Joinovitch, a Jewish supplier of scrap metal and virtually everything else to the Germans - who almost escaped retribution by coying up to the Paris police after the Liberation - and white-hat companies like Hispano-Suiza, which despite being in the aero-engine business managed to contribute almost nothing to the German war effort.

They explain how it was that during the 1940-44 occupation years, through a mixture of compulsion, threat, enticement and of course the organised collaboration of the Vichy regime, France came to send Germany half of its national output, with nearly 40 per cent of French men of working age working either in France or in

## Occupational hazards in France

Both industrial resistance and collaboration paid a post-war price, argues David Buchan

Germany for the Third Reich.

Surprisingly the Germans, who had 300,000 troops in France for much of the war, used relatively little direct compulsion. Where they did, mainly in the arms, car, energy, cement, metal-working and press sectors, there was often little. French companies could do to resist, except to completely shut down as some newspapers did. Lafarge found itself building airstrips for the Luftwaffe, just as its UK subsidiary was doing for the RAF.

But the German authorities requisitioned very few firms outright, while German business found it surprisingly hard to buy into French companies - except Jewish-run ones. The Vichy regime in fact opposed such takeovers and the German authorities did not insist. Thus the Michelin tyre group and St Gobain glass group suc-

cessfully resisted pressure, backed with promises of scarce raw materials, to sell their subsidiaries in Germany and German-occupied countries.

"In the same way that the Germans relied on the [Vichy] government, with its administration and police, to run the country, so they relied very largely on French patrons to run industry", comment the authors. Clearly, many French bosses put company before country. But in doing so, they were not going against the popular mood which, remembering the mass unemployment of the 1930s, favoured a return to work after the 1940 defeat. Of course, the obsession of many bosses to preserve their companies' interests sometimes took a perverted form; a top manager of AFC, the precursor of Pechiney, even sought specific assurances that his company's

aluminium would end up in German weaponry and not be re-exported to AFC's "traditional clients" thereby queering the company's post-war markets.

Indeed the original 1940 armistice provision that

LES PATRONS SOUS L'OCCUPATION  
by Renaud de Rochebrune and Jean-Claude Hazera  
*Editions Odile Jacob FF195, 874 pages*

French industry should be forced to supply weapons to Germany was soon flouted by Vichy itself, which succumbed to German promises that in return it could retain one in every three warplanes made in France. Indeed Vichy became

more and more involved in organising industrial collaboration - and also in sending workers to Germany - always in the vain hope that this would give it more clout with Berlin in getting French prisoners of war back in exchange.

But some companies balked from 1940 on. Marc Birkigt, Hispano-Suiza's main inventor (and a citizen of Switzerland, not a country with a proud wartime record), immediately sent copies of his plans to Britain, and retired behind the Spanish border. The company shut down its Paris operation and shifted all production to Tarbes in the south west which remained unoccupied until late 1942. The following year the Germans lost patience, dismantled the Tarbes factory and took 19 trainloads of its machine tools to Germany. With its workforce down to a

quarter of its pre-war size by 1944, Hispano-Suiza never really recovered.

Resistance, even passive resistance, did have its post-war price. Eighty per cent of Peugeot output went to Germany, but some of its workers were executed and deported for sabotage at Sochaux, which they abandoned in September 1944, allowing the retreating Germans to take a lot of machinery with them. As late as 1947 Peugeot teams were still looking in Germany and elsewhere to reclaim this equipment, whose loss cost them a competitive edge against Renault, nationalised after the war because of the collaboration of its owners. Appropriately perhaps, the Berliet truck business ended up as part of Renault, long after the trial of the Berliet family for collaboration.

Often the Germans' money spoke louder than their orders or threats. The French state had to pay FF400m a day in occupation costs, roughly 50 times the real cost of garrisoning the Wehrmacht in France, and ended up giving Germany a huge trade credit worth DMs 8.5bn. Initially the Germans could not spend anything like these colossal amounts "legally", so they resorted to Joinovitch and other black marketeers to suck still more resources out of France. From 1943 on, the Germans found another home for their money in the building of the Atlantic Wall against Anglo-American invasion, the biggest works project since the Romans.

On October 22, 1772, Admiral Sir Cloudisley Shovel ran the British fleet aground on the rocks off the Scilly Islands because he had no idea where he was.

On the way back from skirmishes with the French off Gibraltar, the weather was foul and the admiral thought he was still off the western coast of Brittany and so did his navigators. A midshipman, who had been keeping his own reckoning, piped up to demur and Sir Cloudisley had him hanged on the spot for mutiny. Hours later four warships and 2,000 men were lost. Two years later, the British parliament voted a prize of £20,000 for the first person to solve the problem of longitude.

Dave Sobel has written a gem of a book about the ensuing conflict between astronomers, certain that the answer lay in the skies, and the eventual victor, a self-taught clockmaker of humble origins called John Harrison. He is the book's hero and arrayed against him were villains of great lustre, not least Rev Neville Maskelyne, one of the most august astronomers royal in history. Harrison's theory was prosaically mechanical, a far cry from the complex astronomical formulae that had consumed the likes of Ptolemy, Galileo, Newton and

LONGITUDE: THE TRUE STORY OF A LONE GENIUS WHO SOLVED THE GREATEST SCIENTIFIC PROBLEM OF HIS TIME  
by Dave Sobel  
*Walker and Company \$19, 184 pages*

Halley. What a mariner needed to ascertain longitude was a sea clock that could be relied on to tell the precise time in home port, against which local time, measurable by the sun, moon and stars, could be offset. The difference between the two would establish where on the east-west line a ship was located.

His theory may not have been original but its practical application had defied the best technicians. No sea clock, or chronometer, had been made that could keep precise time on a ship subject to buffeting by the sea and to changes in temperature and humidity.

But Harrison was a mechanical genius. It took him most of his life, but he was able in the end to construct, as Sobel puts it, "a series of virtually friction-free clocks that required virtually no lubrication or cleaning, that were made from materials impervious to rust and kept their moving parts perfectly balanced in relation to one another regardless of how the world pitched and tossed about them. He did away with the pendulum and he combined different metals inside his works in such a way that when one component expanded or contracted with changes in temperature, the other counter-acted the change and kept the clock's rate constant."

Harrison had an early supporter in Edmond Halley, the second astronomer royal, but it took him 40 years to claim the prize, partly because of his own insistence on perfection but mostly because the scientific elite, in particular Maskelyne, was committed to the astronomical solution. Harrison saw the rules of the prize game constantly changed and Maskelyne had no compunction about tossing his chronometers carelessly into the observatory's cellar to rot.

But, with the ultimate patronage of George III,

Harrison was finally vindicated and his prototype models went into mass production. Now, notes the author, "some modern horologists claim that Harrison's work facilitated England's mastery over the oceans and thereby led to the creation of the British Empire - for it was by dint of the chronometer that Britannia ruled the waves."

Sir Cloudisley Shovel, incidentally, was one of the two survivors of the wreck of the *Scylla*, but not for long. Lying exhausted on the shore, he was murdered for his emerald ring by a local woman, who confessed on her death bed 60 years later. That is the sort of anecdote which illuminates Sobel's book throughout and makes *Longitude* one of the best reads for the non-scientific mind to come along in many a moon - as not measured by John Harrison's masterpieces.

Jurek Martin

## Skies versus clocks

O n October 22, 1772, Admiral Sir Cloudisley Shovel ran the British fleet aground on the rocks off the Scilly Islands because he had no idea where he was.

On the way back from

## Historical air on a guitar string

Peter Aspden reviews a fascinating book on forgotten moments in popular culture

**A**s a man who takes popular culture seriously, Greil Marcus is magnificently intolerant of the strident tones and sloppy myths that make up much of its critical vocabulary. He cannot stand the pretensions of a Robert Altman, the laboured metaphors of an E.L. Doctorow, the self-consciousness of an American Graffiti. Yet set him to explain why Bob Dylan, or John Wayne, or even Jan and Dean really matter to American culture, and there is no better advocate around.

That such figures should be found in history's dustbin is all the more excuse to join Marcus in his erudite, passionate rummaging. His business is with the forgotten moments, the seemingly ephemeral, the "manifests of limitless possibility and desire". Marcus quotes Robert Palmer:

THE DUSTBIN OF HISTORY  
by Greil Marcus  
*Picador £15.99, 274 pages*

...a question in Deep Blues: "How much history can be communicated by pressure on a guitar string?" and answers plaintively: "More than we will ever know."

The view of history's master-narrative as an interested construction rather than a literal account of what really happened is hardly original; but seldom have the narrative's marginal figures been elevated with such informed gusto.

Take Deborah Chessler, the subject of the finest piece in this collection of essays and articles and a name unknown to all but rock history's cognoscenti. A struggling Jewish songwriter from Baltimore, she started small-time; her first break came when she sold a jingle to the local movie house in honour of its new air-conditioning.

But Chessler was an original. She instinctively bucked the prevailing casual racism of her contemporaries - once, working in a ladies' wear store, she flouted the law by allowing a black woman, who just happened to be Ella Fitzgerald, to try on several dresses - but she was no ideologue, no heroine.

What she could do was write songs; in fact, she wrote one of the finest in early pop history, "It's Too Soon To Know" by The Orioles, credited as the first-ever rock'n'roll record and one of Marcus's sublime dustbin moments: "Suddenly, everything around it, on the radio, on the jukeboxes, sounded stale. In the voices you could hear... a quality of

Wilson makes no claim that this is another biography of F.A. Lindemann. It is something much more interesting. Here is a series of essays on the impact of a political advisor. The book reviews a number of the crucial second world war strategies, the planning for the post-war world and evaluates Lindemann's influence. The overall judgment is rightly favourable to Lord Cherwell, as he became.

Anyone close to a prime minister, let alone a prime minister of Churchill's stature, is bound to attract enemies. Lindemann is no exception, but much of the criticism could be considered valid only if partial shots are taken of the record of the Prof, as he was known. On all key areas Linde-

mann was proved right, even when his judgment was based on faulty reasoning.

The criticism of his commitment to the bombing policy against Germany is a good example. He was wrong to believe that this policy would crack the German resolve to fight. But what would have been the outcome if the war had been prolonged, particularly after the bombing of Dresden? Here is the only point where I question Wilson's otherwise impeccable judgment.

Dresden was a logical progression in the policy and Speer believed its continuation would have broken the German spirit.

Britain had an imbalance with too many bombers and

too many fighters. For a long time, bombing was the only form of attack against Germany. The Prof was wrong in supporting an unrealistic production level of bombers - and should not some of the bombers have gone to the coastal command to help protect the convoys from U-boat attack?

But while Lindemann was at fault in believing the bombing would lead to a German collapse it did have, contrary to the often-stated view, a major impact on German war output. It also massively diverted offensive supplies to home defences.

What would have been the impact had this effort been transferred to the Russian



Russian poster advertising the film "Человек из леса", (The Man from the Forest), 1922: one of 250 compelling images from "Film Posters of the Russian Avant Garde" (Taschen £24.99, 378 pages), edited by the American collector Susan Pack, which demonstrates the dynamism of Russian graphic art in the 1920s and 30s

## In defence of Churchill's right-hand man

CHURCHILL AND THE PROF  
by Thomas Wilson  
*Cassell £20, 224 pages*

Front, at a time when we were unable to open up a second front, is left for us to consider.

The quality of Lindemann's view can also be seen in the advice he gave to Churchill on the home front. While the Prof clearly gained much pleasure in spreading stories about his own reactionary views, this is a distortion. His fight against a war of a thousand cuts on the living standards at home was little short of brilliant. The passage quoted by Wilson

about how a saving in one area results in a loss in another ought to be compulsory reading before any meeting of the Cabinet expenditure committee.

Wilson contrasts Lindemann and Beveridge, and again the Prof was wrong in supporting an unrealistic production level of bombers - and should not some of the bombers have gone to the coastal command to help protect the convoys from U-boat attack?

But while Lindemann was

not much interested in home affairs during the war, in less than half a page he recalls the issues the prime minister was dealing with at the time of the publication of the Beveridge Report. While the battle of El Alamein had been won the Germans were still a force in Africa. The Anglo-American

landing in North-West Africa had begun: the Germans had reached the oil-producing areas in the Caucasus; the Battle of the Atlantic was in full force and the Russian homeland was being pounded. Those whose interest is primarily in social policy need to see the whole canvas to which Churchill was applying his brush if a sensible judgement is to be made here.

Indirectly Wilson assesses why Lindemann was perhaps the most effective of all the political advisors so far appointed, a judgment not without importance as minds turn to the next government. Churchill and the Prof grew close over their early campaign about the nature of the Nazi

threat. Lindemann had a brilliance in not merely knowing the importance of developments but in being able to express them simply. He kept strictly to the area given to him by Churchill. A forthright fighter within these confines, Lindemann did not meddle in areas forbidden by his master.

But this says something equally important about Churchill, who was not afraid to have substantial minds around him. The author of this book, Thomas Wilson, was an advisor to the department of the environment when the poll tax was being debated internally. He was the only person to resign over the issue. Need anything more be said about his qualities?

Frank Field

Jurek Martin

Skies  
versus  
clocks

**P**ublished in the UK as a paperback original, *Secret Life* has a spiffing back-cover quote from the *New York Times Book Review*, which states that this "extraordinarily absorbing and disquieting autobiography is a portrait of the artist as a young pervert."

Smart thinking, guys. A quote like that ought to boost sales by several thousand, even though the quote goes on to state that the reason this startling book, by turns repelling and seductive, feels so perilous to read is because of the cumulative force of its unorthodox material, as well as its author's opacity to make an artful and lucid narrative out of a mishapen and opaque life".

*Perilous* is the word. Ryan's recollection of his sex-crazed childhood, adolescence and early and middle manhood is so remarkably precise, his narratorial skills so

## Confessions of a sex-crazed poet

Michael Thompson-Noel is by turns seduced and repelled by a perilous read

great, that there are moments in *Secret Life* when one fears to turn the page. This is not because Ryan's sex confessions are *outrageously shocking* – in a sex age like ours, that really isn't possible – but because of dread at the thought of the consequences of his escapades.

Ryan, an American, is a successful poet. At the age of five, and for about a year afterwards, he was molested by a neighbour's son, a man named Bob Stoller, "young and handsome", just back from the Korean war, who had sex with him in an attic, before convincing the five-year-old Michael Ryan was always eager for sex with Stoller.

This may be the reason, says Ryan, why he believes that the most insidious part of sexual abuse lies in the creation of desire in the molested child: a desire that can never again be fulfilled, only compulsively substituted for and

one else would understand it. The child must never tell anyone as long as he lives.

"I'm not sure how many times Bob Stoller had sex with me," writes Ryan. "I remember my reluctance every time, and the ways he'd overcome it by appeals to my sympathy and vanity." However, so far as he recalls, the five-year-old Michael Ryan was always eager for sex with Stoller.

His primary loyalty was to sex: anyone would do, usually women, often men. No human relationship took precedence over sex. Achievements were meaningless unless converted into sexual rewards. Finally, after his second marriage had disintegrated and he had been sacked from his teaching job at Princeton for having sex with a student, Ryan found help, and a sort of salvation.

The mystery with which Ryan brings his story to its conclusion makes you wonder, at times, if it is autobiography, and not the work of an important novelist. That is how good it is.

It coils and uncoils, and coils again. For example, there is an hilarious account of Ryan's participation as a schoolboy in the Westinghouse Science Talent Search, a prestigious national competition. Entrants had to carry out projects, so Ryan embarked on a Frankensteinian experiment, utterly bogus, concerned with the immunological role of the thymus gland. He acquired some baby mice, and operated on one of them, using a scalpel.

Then he stitched it up again and wrote up the data. Embellished them greatly. There were graphs, charts, photos. Much to his surprise, his boneheaded project won

an honourable mention from the judges. There was a write-up in the local newspaper. About 20 schools offered him scholarships.

And then he got an anonymous call from a girl who told him he was cute. How would he like to make out with her? Cars full of girls drove by his house at midnight, calling for him to appear. Two of these girls were moderately good looking, so he took them out on successive weekends, driving his car into a field and sticking his hand in their pants. The girls reciprocated.

The impressiveness of the Westinghouse episode lies in the fact that we know the psychological context in which it occurs, and can feel and taste everything that is going on when Michael Ryan drives those schoolgirls into the field and sets the handbrake.

Heaven protect us if he ever writes a novel.

## Planetary catastrophe wrought by mankind

Man's greed has already sown the seeds of his destruction, warns A.C. Grayling

**D**id you know that within two millennia of his arrival in North America about 12,000 years ago, man had hunted 57 species of the continent's largest mammals to extinction? That earth's forests are being cut down at a rate of over one acre per second? That homo sapiens – constituting a tiny minority of the planet's fauna – annually consumes one half of the energy needed to sustain all the planet's life forms?

Even if one were bearing these facts for the first time they would

**THE SIXTH EXTINCTION**  
by Richard Leakey and Roger Lewin  
Weidenfeld and Nicolson £18.99, 371 pages

probably seem unsurprising. We seem inured to our greedy carelessness as a species, feeling either that we are impotent to stop our deprivations, or that our very mortality – the limit of our three-score years and ten – makes it unnecessary to think ahead; our grandchildren, we seem to say with a shrug as we turn our backs on each morning, can scabble for survival among the wreckage as best they may.

How, though, are we to make sense of the planetary catastrophe being wrought by mankind? In this exceptional book Richard Leakey and Roger Lewin place the human impact on earth into the full context of biological history, telling a fascinating and in the end chilling story of change and extinction in the evolution of life.

Ancient myths of divine creation and destructive world-wide floods paint a picture of sudden cataclysm in earth history. The 19th-century

science of Charles Darwin and Charles Lyell introduced an opposing view into the respective stories of biological and geological evolution: gradualism. In Darwin's account, the flow of life is a struggle in which only the fittest win, overcoming both competitors and environmental factors by successful adaptation. The process is slow and steady, but it leads incrementally towards higher forms of life, representing – in Darwin's words – "progress towards perfection".

This comforting view no longer bears scrutiny. As Leakey and Lewin report, controversial recent work suggests a very different picture of the history of life as follows.

The first simple life forms existed for billions of years without change; six-sevenths of earth's history belong to them. Then, about 530 million years ago, and in the geological eyeblink of a mere five million years, life suddenly exploded into a vast diversity. Most of it vanished almost as suddenly, within another few million years, leaving behind the forms which have evolved into today's life. The surviving forms were not fitter or better adapted to the Cambrian world in which this phenomenon occurred; which forms survived and which vanished was a matter of mere chance, a lottery.

And this was true too for the two-inch worm which evolved into the vertebrates, and finally into us.

In the half-billion year period between the Cambrian explosion of life and now there have been many extinctions of species. But on five occasions there have been mass extinctions, defined as events in which at least 50 per cent of all species were simultaneously obliterated. In the most dramatic of them, at the end of the Permian period 255 million years ago, 95 per cent of

marine species were extinguished. After each one previously insignificant life forms rose to prominence, availing themselves of vacated ecological niches. After the last and most famous mass extinction 65 million years ago, when the dinosaurs disappeared, there emerged a group of small scurrying creatures who, until then, had been keeping well out of the way, the mammals.

There is much controversy as to why these mass extinctions occurred. One theory dominates: of accident, and that catastrophes have a greater impact than the more local phenomenon of Darwin-

ian natural selection, which explains change in non-catastrophic circumstances. It is the catastrophe theory which explains why man's activities are ecologically so dangerous.

The revised picture of biological history described by Leakey and Lewin suggests that the origin and destruction of life forms is a matter of accident, and that catastrophes have a greater impact than the more local phenomenon of Darwin-

ian natural selection. At the current rate of man's activities, half the present species on earth will become extinct before the end of next century.

And here is the chilling clincher.

Biological diversity is necessary to the survival of species. No one species can survive alone; there has to be a critical mass of them to ensure balance and support. Man's destruction of fellow-species, if it has already gone too far, has therefore already caused his own extinction. For extinction is not an instantaneous process; it can take centuries, millennia, even millions of years.

But it is not improbable that man himself has by now made his own survival impossible – in which case we are, as the authors put it, already the living dead.

They ask: does it matter? and answer in the affirmative. While there is hope and perhaps time, we have no right – we the species which can reflect, understand, make choices – to take so many other species into the abyss with us.

This is a highly readable, educational book. It puts a controversial view, but one that must be heard. It is therefore required reading.

## BOOKS

# Confessions of a sex-crazed poet

Michael Thompson-Noel

is by turns seduced and repelled by a perilous read

repeated, unless – if he's lucky and finds help – he ceases to identify with the molester.

Until I read this book, I imagined – as who would not? – that the life of a sex addict was pretty groovy.

**SECRET LIFE**  
by Michael Ryan  
Bloomsbury £8.99, 352 pages

All those bodies. All those orgasms. And *Secret Life* blows that supposition out of bed. It was not, says Ryan, that he wasn't the person his friends knew, but that the secret person he was inside was the real Michael Ryan. It was like living

inside a spin-drier.

His primary loyalty was to sex: anyone would do, usually women, often men. No human relationship took precedence over sex. Achievements were meaningless unless converted into sexual rewards. Finally, after his second marriage had disintegrated and he had been sacked from his teaching job at Princeton for having sex with a student, Ryan found help, and a sort of salvation.

The mastery with which Ryan brings his story to its conclusion makes you wonder, at times, if it is autobiography, and not the work of an important novelist. That is how good it is.



Technicians attempt to cap oil wells sabotaged during the Gulf War: photograph by Sebastião Salgado included in "The Critical Mirror - Photojournalism Since the 1980s" (Thames and Hudson £19.99, 225 pages)

## Locked up for no reason

Joan Smith searches for clues in a tragic story which is far from black and white



Marsha Hunt: until five years ago she thought her grandmother was dead

**REPOSSESSING ERNESTINE: THE SEARCH FOR A LOST SOUL**  
by Marsha Hunt  
HarperCollins £15.99, 377 pages

biography *Real Life*, one of the photographs showed Ernestine at her high school graduation, yet Hunt knew almost nothing about her.

"My poor, dear sick wife is still at the hospital, incurably insane... Of course, divorce is not permitted in the state of Tennessee", Hunt's grandmother told her during a visit to Memphis in 1977. Blair Hunt Star had been only the third black person in Memphis to get a college degree. He became head teacher of a black high school and, even after his retirement in 1959, remained a significant figure in the city.

Yet the wife of this influential citizen languished in a mental institution for five decades and his three sons were brought up by their grandmother, Ernestine's own mother, in Boston. For most of her adult life, Marsha Hunt assumed Ernestine was dead. Then in 1991, she got the telephone call which prompted the quest that forms the

core of this book. Her cousin rang Hunt's secluded house in France with the shocking news that Ernestine was still alive.

More shocks were to come: the number of people, family and friends, who knew Ernestine's whereabouts but never visited her. Perhaps most disturbing of all was the fact that Ernestine's guardian, the person who controlled her

allowance and made decisions about her welfare at the nursing home after her husband's death, was Blair Hunt Star's acknowledged girlfriend during his lifetime.

Much of this was unknown to Marsha Hunt in the summer of 1991 when she scraped together the air fare to Memphis and visited her grandmother for the first time. Arriving at the nursing home, she

part of her adult life.

She even succeeds in a moment of dreadful poignancy, in articulating what a terrible wrong was done to her. Speaking in a Southern black accent that does not match her looks, she tells Hunt simply, "I got killed". This is not a book with a happy ending but it does at least restore to Ernestine Hunt a degree of dignity denied her for the rest of her life.

Lawrence Block could be forgiven for feeling schizoid. He has written 13 novels featuring Matt Scudder, an alcoholic ex-cop who works as an unlicensed private eye out of Manhattan's Hell's Kitchen, and another seven starring Bernie Rhodenbarr, who runs a bookstore on the Upper West Side but is actually a burglar. Both series are written in the first person, and the evidence of Scudder's skill as a craftsman is the ease with which he, and his readers, can move between the two and never get confused.

Matt Scudder's books are hard-boiled. Scudder lives with an ex-hooker, who has given up her juice. Scudder will not, however, give up the dimly lit world he inhabits. This is old New York: an interlocking web of ethnic neighbourhoods, after-hours joints, and backhand deals, where legal and illegal are merely terms of convenience for newspapers and DAs. Despite Scudder's sobriety, he is only hinted in this sensitive, pain-filled book.

In spite of diligent research in Memphis and Boston, where Ernestine's supposed mental instability was first diagnosed, Marsha Hunt never discovers the real reason behind her grandmother's commitment. But one detail sticks in the mind: the fact that when she was locked up in a black asylum in 1929 Ernestine Hunt insisted – as she has gone on insisting to this day – that she was white.

In that sense, *Repossessing Ernestine* is an unsolved mystery. It is also an honest, eloquent account of the problems inherent in trying to rehabilitate an elderly woman who has been imprisoned in institutions for more than half a century. Hunt's attempt to have Ernestine live with her in England fails but her grandmother grows more alert and interested in her surroundings as their relationship progresses.

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Of course, something is going on

and Scudder eventually discovers what it is, but it is the course of the investigation and the attendant sto-

ries that make this such an entertaining suspense novel.

Few genre writers can maintain a reader's interest in a protagonist over a long series of stories: Robert Parker's Spenser, for example, a fantasy figure of brutal sensitivity to begin with, degenerated into a non-existent Bell's in Princeton, yet did not recognise Cyrillic letters. We have to accept that his sidekick, the lesbian dog-groomer Carolyn Kaiser, has never heard of Phnom Penh, but six pages later knows exactly how many countries Yugoslavia has split up into. There are people in the foreign office who do not know that.

On the other hand it is fun to have the characters from *The Maltese Falcon* (Gutman, Cairo, and Wilmer) interacting with Ilsa and Victor Laszlo from *Casablanca*. Block throws in everything except Walter Huston falling through the doorway clutching a wrapped bird. It would be even funnier if it did not lead to exactly the same climax that Woody Allen did better, 20 years ago, in *Play It Again Sam*.

The *Burglar* books recall Donald Westlake's Dortmunder gang. In fact, Rhodenbarr himself seems a direct descendant of Grofield, the part-time actor and thief whom Westlake spun off from his Parker novels. Those books, written under the Richard Stark pseudonym, are among the greatest hard-boiled writing of all time. It is not far fetched to see Block as a legitimate heir to Westlake's schizoid skill.

Someday Matt Scudder will cross paths with Bernie Rhodenbarr on a case. Now that will be interesting.

## Crime/Michael Carlson

# Master of perception

**L**awrence Block could be forgiven for feeling schizoid. He has written 13 novels featuring Matt Scudder, an alcoholic ex-cop who works as an unlicensed private eye out of Manhattan's Hell's Kitchen, and another seven starring Bernie Rhodenbarr, who runs a bookstore on the Upper West Side but is actually a burglar. Both series are written in the first person, and the evidence of Scudder's skill as a craftsman is the ease with which he, and his readers,

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## ARTS

# First Lord of the Academy

**William Packer** welcomes a re-appraisal of the work of Frederic Leighton, who died 100 years ago

**N**o-one better represents the vagaries of critical fashion, in particular as they have affected Victorian art, than Frederic, Lord Leighton. Leighton died 100 years ago, aged 65 and within a month of being raised to the peerage. He was the only painter to have been so honoured. His body lay in state at the Royal Academy, of which he had been president for the past 18 years, and, escorted by a detachment of the Artists' Rifles, was drawn through the streets of London for burial at St Paul's.

Here, in the eyes of his contemporaries, was a great man, a pillar of Victorian England. Yet within 60 years he had so fallen from the collective consciousness that "Flaming June", one of his last and most successful works, the sensation of his farewell Summer Show, was to be had from a Chelsea stall for a mere £50, its frame alone priced at £25. Sold on to the Ferre Foundation in Puerto Rico for \$2000, it is now valued at several million.

That his lost reputation is now somewhat restored by the Royal Academy's highly enjoyable centenary celebration of his life's work is not to say that he was a neglected genius and the greatest artist of his time. Far from it. He was manifestly uneven in his production, capable of failures quite as spectacular as his successes, and worthy is the epithet that comes to mind. Yet it is right that work such as his should be given an open-minded reappraisal, for it gives us a true picture of the state of British art in the later 19th century in all its complexity of influences and attitudes, cross-currents and counter-flow.

The point is that we have been victims too long of the over-simple art-historical opposition of the Salon and Academy on the one hand, and the Modern on the other. The

result is the easy assumption that the Academic position was necessarily retrogressive and bad, the Modern progressive and good. To look at the work of Leighton from first to last is to register all those tensions and contradictions. All art is modern in its time.

Leighton was well-travelled,

his childhood and early maturity spent almost entirely abroad, first with his expatriate family and then studying variously at Rome, Frankfurt and finally Paris, where he spent most of his twenties. He returned permanently to London only when he was nearly 30. By that time his contact with artists was no less international, including Whistler and Poynter, Decamps, Troyon and Perugini. He was familiar with the work of the Nazarenes, the group of German artists that had worked in Rome earlier in the century, and the Campagna painters of his own generation. He knew the work of Ingres, Corot and Daubigny, the Barbizon painters and the pre-Raphaelites. To think of him as not up with modern painting in his day because such other near-contemporaries as Degas, Manet or Cézanne had failed to register with him is hardly fair.

But this is not to deny Leighton his particular triumphs, from "Cimabue's Madonna", so long skied at the National Gallery, and the delightful "May Sartonius" in her ostrich-feather hat before 1860, to the 1890s and the luxuriant "Garden of the Hesperides". "Andromeda" tethered sensuously to her rock for the monsters to devour and, best of all, "Flaming June". The curled, sleeping, radically fore-shortened model is a burst of light in her orange shift, and as bold and monumental a composition as could be.

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Frederic Leighton 1830-1896: The Royal Academy of Arts, Piccadilly W1, until April 21; in association with Christie's.

## At Home with the artist

**T**hey may not be the most awesome last words, but "Give my love to the Academy" neatly sum up the life of the artist Lord Leighton, a president of the Royal Academy, whose centenary is currently being celebrated all over London, not least in a major retrospective at the RA (reviewed above).

Lord Leighton never married. He devoted himself to work, and was a punctilious resident of RA. Like Tenby and Gladstone he was the quintessence of Victorian manhood: straight, honourable, dedicated.

Like Gladstone, his very decency attracted tittle-tattle and his benefice to his last model, Dorothy Dene – which stretched to housing her family in Clapham, a house he visited to "come off his sticks" – gave the gossip a field day. But Lord Leighton's moral reputation held, even if his artistic eminence slid into oblivion in the middle of the 20th century.

Leighton House in Kensington, his home for 30 years, is

honouring the centenary with that latest in artistic novelties: the audio-visual promenade tour. In small groups you walk the house, stepping back with the help of smell, recordings and actors, into the late Victorian age.

In the dining room, we hear his manservant Kemp recall convivial bachelor banquets, which were enlivened by blue stories, Browning, and the Prince of Wales. In the picture gallery his friend Sir Richard Burton takes over, reminiscing about the oriental passions he shared with Leighton, a passion which helped create the Arab Hall, a tiled and pooled patio dreamt up in Damascus and dropped into Holland Park, surely one of the finest interiors in London.

Leighton House has always been a memorial to the artist, with his paintings on the walls, his furniture in the rooms. The most lived-in room, the studio, has been returned to its original appearance, a confusion of screens, sketches and busts, as caught in contemporary photographs. Here Dorothy Dene describes

"Releasant Perfection", £3.50. To book, tel. 0171-603 9115. The house re-opens as a museum on May 1.

Radio/Martin Hoyle

## Awkward questions

extent we would have found astonishing and disturbing even a few years ago.

These thoughts are prompted by a recent item on Radio 4's *You and Yours*, one of those programmes that often asks unfriendly but uncomfortably probing questions. The free coal that miners are entitled to in some parts of the country is now being taken from the poorest quality, frequently contains stones, and in some cases so useless that it is forcing the recipients to stump up from their pensions to buy their own.

The disturbing element is that complaints and questions have been passed in a perpetual circle, from the ex-national coal authorities in London via a Harrogate office to Sheffield and back to London. There is something Dickensian about what appears to be callously contemptuous sharp practice. There are certainly Victorian values in evidence here; pre-Lord Shaftesbury by the sound of it.

The morality of corporations and governments was the implicit subject of *Analysis: Dirt across the Border*. Frances

Cairncross outlined some of the choices facing us when pious combatting global pollution. Should international companies vary according to the standards of the countries they invest in? Should they take the lead from an un-green government or set an example not-withstanding?

**S**ome surprising conclusions were drawn. Some European nations "shot themselves in the foot" with over-regulation which should be relaxed. The passionately crusading Edward Goldsmith insisted that the Third World should feed its own before exporting to the west's sophisticated needs: unexceptionable, one would think, except that he went on to advocate refusing to trade with them so as to ram the message home a dubious way of being cruel to be kind.

Still, it was heartening to hear that Britain, as far as pollution is concerned, is blessed with strong winds and short, swift rivers". It has been so long since we were considered blessed with anything that I

found this tiny affirmation of faith rather touching.

And morale needed boosting a week ago. On the Friday the IRA reminded us that they are still around, and that evening the media were understandably dominated by the news. Saturday morning's *The Week in Westminster* had something of a scoop, presented by Boris Johnson of the Telegraph who was in his Canary Wharf office at the time of the explosion. He presided with gravitas and efficiency over splendidly prepared interviews and exchanges that sounded as if the programme had been weeks in the making instead of a few hours. The listener tried to deny the uneasy appropriateness of another item, on the antagonism between native Latvians and the Russians who have lived in Latvia for years, in some cases born there and regarding it as home, though now abused and driven out.

The exiled Duke of Milan appeared to have made landfall in the Emerald Isle in Radio 3's production of *The Tempest*. A cast led by Ronald Pickup's mellifluous Prospero and Sarah Woodward's gutsy, un-soppy

Miranda gave a better account of the play than you are likely to meet with in the theatre. The cast actually pronounced the language well and gave every appearance of understanding what they were saying: a double feat rarely achieved on our great subsidised national stages. The Irishness I found not terribly relevant politically, though Caliban did remind me of many an amiable toper in many a Kilburn bar, and left me wondering if this agreeable association of ideas was racist.

There is something gloriously, unregenerately racist, if the north is a race, about Peter Tinniswood's Uncle Mort and his recalcitrant nephew Carter Brandon. Their chauvinism is directed not just against southerners but the Welsh as well.

*Uncle Mort's Celtic Fringe* started a five-part progress through the principality on Monday, and I shall tag along for the ride. Tinniswood's quirky gift for elliptical, apparently inconsequential detail is a faintly baffling delight. He is an Alan Bennett with surrealism and bite. Pete Atkin's production is a constant pleasure, fielding some fine performances (June Barde's transplanted northerner volatile in her dislike of the Welsh was a treasure). Only Sam Kelly's Carter sounds a trifle long in the tooth, but the humour gives no sign of ageing.

mits a realistic near-rape upon Hermia the moment she ventures into the wood.

Nothing more malevolent develops, though Jonathan Arun's Puck is bare-chested with braces, a boisterous, striped trousers and scarlet lips, suggesting some obscurely perverse streak. Incidentally, whenever he or Helen Bateman's Hermia speaks crosswise to the audience we lose most of their words: disappointing for students who have the *Dream* on their syllabus. How Shakespeare repertoire is dictated by GCSEs and A-levels! We are lucky ever to get *Timon*, or *Cymbeline* or *All's Well*.

**A**gain Hippolyta and Duke Theseus do their now-standard doubling as Titania and Oberon. But why? Roger Lloyd Park chews sombrely over his lines as Theseus in near-Scholar style, and does the same, only nastier, as Oberon. That clever, tubby actress Annette Badland has evidently been cast as both Queens for her size, since her circus-pink costumes grossly exaggerate it; very well, she makes neither a likely Amazon queen nor a

## Recitals Severe and sublime

**I**n one of several changes to the advertised programmes for his three Wigmore Hall recitals pairing Haydn with Bartók, András Schiff chose to replace Bartók's flashy *Three Etudes* with his more austere *Fifteen Hungarian Peasant Songs*. This was a characteristic gesture for a pianist who, for all his digital dexterity, is a profoundly intellectual artist, one for whom heart and brain are inseparably fused. His recitals on Monday and Wednesday were fascinating, contrasting examples of this approach: at its crabbed, uncommunicative worst and at its unsurpassable, sublime best.

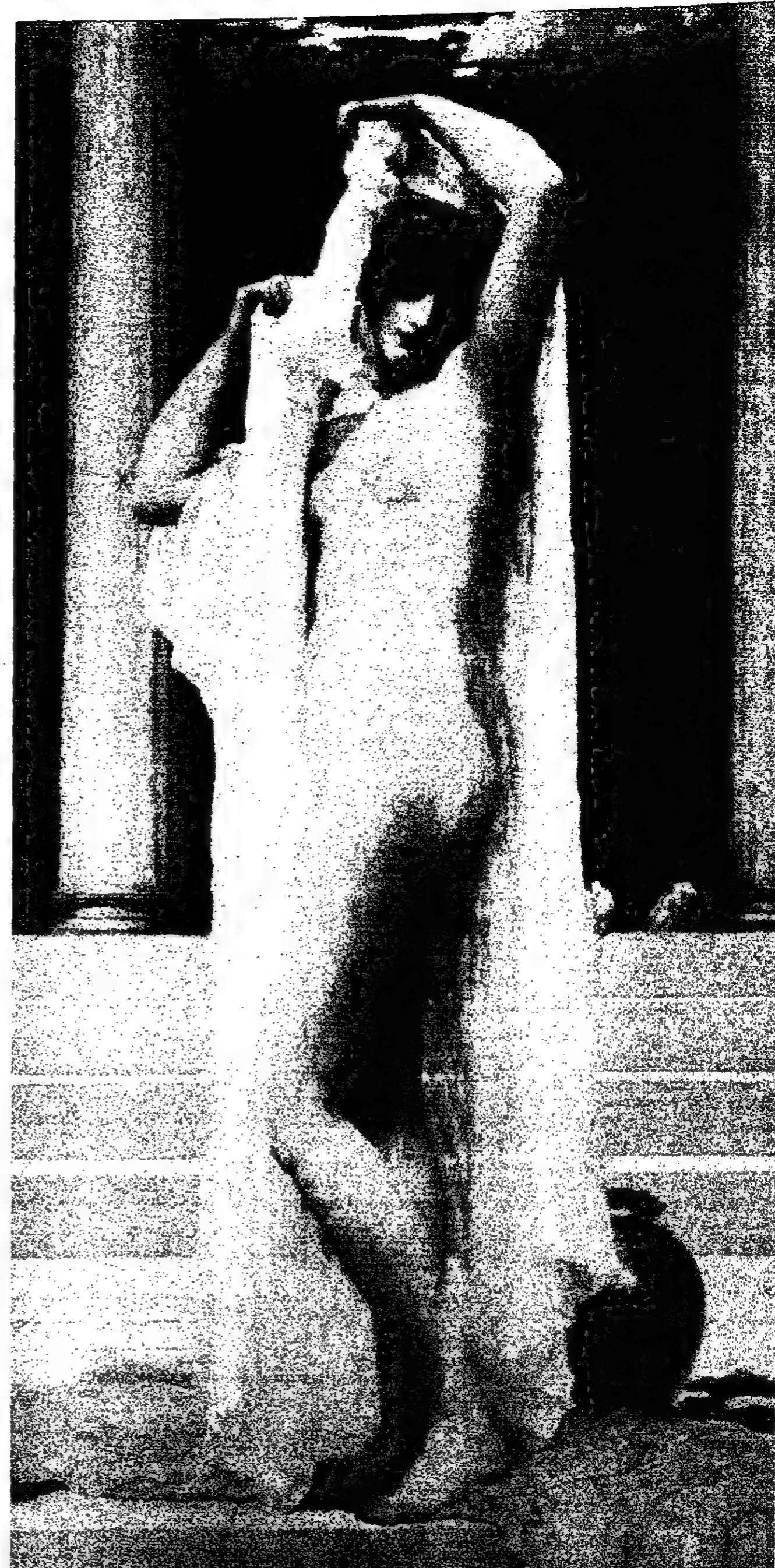
Monday's recital found Schiff at his severest. In three Haydn sonatas he demonstrated how music of such focus, elegance and transparency needs more than the strict observance of Haydn's expression markings harnessed to some impossibly deliberate, distended tempos to make its mark. No.53 in C minor, a powerful, explosive work from Haydn's *Sturm und Drang* period, was presented as a grim unrelenting odyssey of clangorous piano sound, heavy accentuation and pedalling phrasing, while No.60 in C major for all its earthy good humour was hardly a model of subtlety.

**T**he Bartók that evening was a distinct improvement, with reserves of stamina, virtuosity and the sort of rhythmic elan perhaps inappropriate to Haydn present in ample abundance. That Schiff was capable of a tender delicacy emerged from his selection of ten pieces from *For Children*, a pedagogical collection similar to the better-known *Mikrokosmos*, which can deter concert pianists because of its disarming simplicity.

Here Schiff demonstrated how the careful selection of complementary pieces and razor-sharp timing can make them every bit as absorbing as Bartók's more obviously complex music, such as the composer's own transcription of his *Dance Suite*, which under Schiff's demonic fingers emerged as self-sufficient enough to cause little regret at the absence of its orchestral dressing.

If Monday proved a mixed blessing, Wednesday came as the hoped-for revelation. His Bartók again found Schiff on form, both in the grotesque humour of the *Three Burlesques* and in his shading of the remarkable piano sonatas of the *Out Doors suite*. His Haydn, however, now enriched with pregnant pauses and, above all, an impish sense of humour, was Schiff at his witty best, and the authority with which he projected the long slow movement of No.53 in E flat major was a model of nuanced phrasing. Both this and the mischievous delight in negotiating the about-turns and ellipses of No.54 in G major and No.58 in C major showed just how fine piano-playing depends on emotion as well as intellect and, as Monday's recital demonstrated, just how elusive and temperamental the former can be.

Antony Bye



'The Birth of Pygmalion', c.1880-90 by Frederic Leighton: critical attitudes to his work give us a true picture of the vicissitudes of taste

Theatre/David Murray

## A good-looking 'Dream'

**F**or its new *Midsummer Night's Dream*, the Leicester Haymarket has borrowed Matthew Lloyd from the Hampstead Theatre as director. He has devised a curious show, often hares which soon disappear into the far distance – but rarely funny, and then only with sudden onslaughts of Knockabout comedy: in the Pyramus & Thisbe scene, of course, and for the lovers' last demented quarrels. I could easily believe that Lloyd began with intentions that never got realised.

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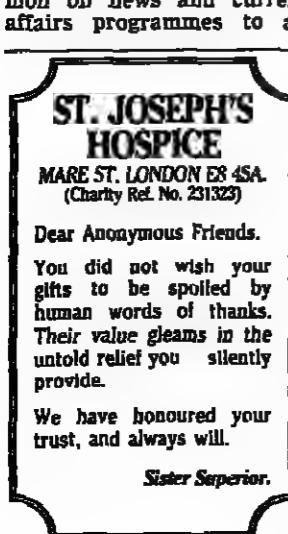
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fairy one (though her sallow skin is always lofty and well-bred) – but nothing comes of that, except unusually grotesque coupling with Bottom in his ass's guise.

Andrew Joseph's Bottom is cheerfully thick and simple, and the other mechanicals are of an unremarkable muchness. David Elliot's handsome Demetrius evinces some lively intelligence; Sean Harris's long, weedly bespectacled Lysander makes a promising arrival and then fades steadily away. Jacqueline De Ferrary's Helena is all right, though in private white she spoils Hermia's "Painted mapole" jest. There are too many details that add up to nothing in particular.

A pretentious note in the programme-book claims that "the confusion caused by the application of Puck's juice demonstrates the fickleness of sexual attraction". Nonsense: it shows only that magical tinctures can lead lovers astray. The close of the play assures us that when true lovers are in their right senses they will find each other.

At the Haymarket, Leicester, until March 2.



## ARTS



Mahler, Dohnányi, Toscanini and Walter (left to right); all linked by an American tradition of choosing conductors with a relationship to European composers of the 19th century

## In a class of their own

It is the musical traditions of the finest US orchestras that make them special, explains Andrew Clark

**T**he Pittsburgh Symphony Orchestra visits London next Wednesday on the final leg of a three-week European tour with Lorin Maazel. It marks the start of an unusually busy year for transatlantic orchestral travel. Over the next six months, orchestras from Cleveland, Chicago, New York, Los Angeles and San Francisco will head for Europe, each hoping to garner enough glowing reviews from the Old World to impress wealthy patrons back home in the New.

For European audiences, this rapid parade of musical monoliths is a chance to assess the comparative strength of the top American orchestras. Since the 1950s, the US classical music scene has been dominated by five orchestras - the Boston Symphony, the Chicago Symphony, the New York Philharmonic and the Philadelphia Orchestra. They became known as the Big Five, because they alone demonstrated world-class standards and consistently attracted the leading conductors.

In the highly competitive US environment, status is important. There are only 20 full-time symphony orchestras, all in the same market for musicians and conductors, for corporate and private money, for radio slots, recording work - and funds. Thanks to increased touring and the CD explosion, orchestras traditionally classed in the second league now command a much higher profile than they did a generation ago. The Pittsburgh Symphony has been paying Maazel \$1 a year to turn it into a "great orchestra". San Francisco is pinning its hopes on Michael Tilson Thomas. Los Angeles and Dallas are creating a profile with media-friendly conductors like Esa-Pekka Salonen and Andrew Litton.

The publicity generated by these

orchestras and their conductors has overshadowed the traditional strength of the Big Five - so much so that some commentators say the term is now meaningless. Since Daniel Barenboim's arrival in 1990, the Chicago Symphony has lost some of its self-confidence. Seiji Ozawa has outlived his usefulness in Boston. The Philadelphia Orchestra is suffering from its home town's economic depression, and both it and the New York Philharmonic are in the hands of unshy German conductors.

In a market easily impressed by glamour and hype, it only takes the latest whiz-kid to turn up with a brilliant performance of *The Rite of Spring* for everyone to hail a new member of the orchestral elite. So the Pittsburgh orchestra's London visit, and those of its rivals in coming months, are worth a critical ear. If lucky, Europeans will get an aural snapshot of what constitutes a great American orchestra - or an ordinary one with a star conductor.

Toscanini used to say there were no bad orchestras, just bad conductors. Today we could say there are no great conductors, just great orchestras.

**Toscanini said there were no bad orchestras, just bad conductors. Now we could say there are no great conductors, just great orchestras**

playing experience of its most influential conductors, Koussevitzky and Munch. It may not be the most potent or opulent sound, but it has great transparency and refinement.

Cleveland can be summed up in one word: clarity. It combines the best characteristics of other great orchestras - refinement, transparency, clean attacks, wonderful solo playing - with the crucial exception of warmth. George Szell, who carved its reputation, was not a warm-hearted musician. Nor is its current music director, Christoph von Dohnányi, who brings the orchestra to London next month.

The most versatile - and most easily disgruntled - of the Big Five is the New York Philharmonic; it has had the widest range of conductors, from

Bernstein to Boulez, Mehta to Masur. There is a streak of hardness in Dohnányi's style - and those qualities are still evident today, despite Barenboim's attempts to make it a more sensitive orchestra.

By contrast, the "Philadelphia Sound", nurtured over a 50-year period by Stokowski and Ormandy, consists of opulence and warmth with an undercurrent of solidity - qualities that are being revived by Wolfgang Sawallisch, albeit with less sensuousness.

The Boston Symphony's brilliant, silvery sound reflects the stringencies of Furtwängler and Kleiber. Dohnányi studied with his grandfather, the Hungarian composer Ernő Dohnányi, and learned his craft in the traditional way - by working in German opera houses. Boston has developed close links with Bernard Haitink and other conductors rooted in European tradition, so that foundations laid by Koussevitzky can be preserved.

The Big Five have the added advantage of being able to attract the best players. You can tell the quality of an orchestra by its depth of competence - whether its back-deep positions are filled by good players or also-rans. Faced with the choice of a job in Pittsburgh at \$84,000 a year or the same job in New York at \$81,120, a good player will choose New York. Better players attract better pupils, which in turn contributes to the quality of artistic life around an orchestra.

Those who believe the Big Five are in decline tend to put a gloss on the past. They forget the ragged attack of the New York Philharmonic under Bernstein, the awful contractual conditions at Chicago and Cleveland under Reiner and Szell. And they forget that any fool can conduct John Adams or create excitement with Stravinsky.

When the Los Angeles and San Francisco orchestras visit Europe in the autumn, they will play almost exclusively 20th century music, leaving the traditional repertoire to their older colleagues. The Pittsburgh Symphony's London programme of Shostak and Bartók lies somewhere in between. Like Stokowski, Maazel is the kind of conductor who can make any orchestra sound good. But like Tilson Thomas in San Francisco, Salonen in Los Angeles, Leonard Slatkin in Saint Louis or Christoph Eschenbach in Houston, he cannot create a world-class tradition where none exists.

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colour instead of black and white - are virtually indistinguishable. Even those who feel they know a fair bit about the US may find some of his reporting hair-raising. He shows film of the last public hospital in Detroit, a serviceable modern building, being demolished because "not enough patients could pay their bills". He shows the police holding back weeping relatives as mental patients are "relocated" to save money. And he gives a detailed account of how mandatory sentences in minor cases have led to a huge increase in the prison population so that funds are being poured into prison building while education budgets are cut.

After so much reporting on America's troubles over the past 30 years, it takes something out of the ordinary to make as much of an impression as this series does when you stay with it and grasp the full significance of Wheeler's thesis. He does not tell a happy story, but he tells it well. After considering the Los Angeles riots, he says "The deeper cause was 25 years of social neglect; too little investment, too few jobs, too much poverty, too much smouldering rage. Once again the ghetto had burned down the ghetto".

He also compares appalling scenes of American poverty from the days when he was there and footage shot today which - apart from being

## Television/Christopher Dunkley

## Humane view from Washington

**I**n a medium increasingly obsessed with the young, it is heartening to find BBC2 beginning a five-part series presented by Charles Wheeler. Wheeler is 73 next month. He started work in Fleet Street 50 years ago, joined the BBC in 1947, and qualified as its longest serving foreign correspondent quite a while back. He brings to his programmes a body of experience and a shrewdness which you do not find in the twenty-something comedians who, it seems, are now regarded as ideal television journalists.

Though he has served as a

permanent correspondent in Germany and Asia and reported from trouble spots all over the world, Wheeler is best known for his years in Washington, so it makes sense that the series starting tomorrow evening is called *Wheeler On America*. The story he has to tell - as the series progresses you realise more and more that it is a single coherent narrative

- begins in the first half of the 1960s with President Johnson's attempts to create "The Great Society". It seems, though he never says it in as many words, that Wheeler regards this as the high point of American civilisation to date. So the rest of the series is an account of the deeply dispiriting descent which has occurred subsequently.

Given the enthusiasm with which British broadcasters tip across the Atlantic and the consequent wealth of programmes about the US, it is remarkable that this series, produced and directed by David C. Taylor, feels so fresh and powerful. The credit must go very largely to Wheeler. Like other great reporters of his generation - men such as

James Cameron in newspapers and René Cutforth on radio, all of them, perhaps, shaped by the horrors of the second world war - he is incapable of wholly suppressing his own humane and liberal instincts. They rarely intrude directly, though at one point he does exclaim "Vintage Nixon; what a hypocrite he was!" and when he interviews politicians about policies on prisons, for instance, you are in no doubt where Wheeler stands.

The opening programme is unrepresentative of the whole in that it is chiefly concerned with politics and politicians. LBJ, pushed into the background of history first by the Kennedy Camelot myth that preceded him, then by the Nixon/Watergate nightmare which followed, emerges as even more of a liberal hero than recent revisionist histories have suggested.

One of Wheeler's strengths is that he was present at the time and not only knows the people involved but can produce footage of his own reports from that period. Among the new interviews he has done is one with Lady Bird Johnson in which Wheeler says "If you look at what he [LBJ] was trying to do, he was a social democrat if not a socialist", and

the widow laughs, nods and doesn't dissent.

In this programme there is an eye-opening revelation about an alleged "dirty trick" of Nixon's to keep the South Vietnamese away from the 1968 peace talks and thus gain advantage over Johnson in the presidential election (Nixon won by less than one per cent) but that is not typical of the content of the series.

**W**heeler is chiefly concerned with the way in which the greatest economic and military state that the world has ever seen failed to create a social system at home which would prevent the emergence of an "underclass". He looks back over the civil rights movement, from the Selma march to the death of Martin Luther King, and at the long and depressing history of urban riots - Detroit, Watts, Los Angeles - which began at the same time as that movement, and continued through the years of black vote registration and desegregation, and up to the present day.

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## Theatre/David Murray Friendly 'Rivals'

**F**or the Royal Exchange Theatre Graham Murray has directed *The Rivals*, as he did when the theatre opened almost 20 years ago. Back then, Sheridan's comedy of manners in 18th-century Bath boasted a whole roster of notable actors; Murray's new cast has a different balance. Here the tetchy elders are unarguably the leading characters (Maureen Lipman as Mrs Malaprop, Tony Britton as Sir Anthony Absolute), to whom his quartet of green young romantics play second fiddle.

That skewers the play a little. Murray's production, always good-humoured and sympathetic, tones down the histrionic extravagance of everybody else - as if Sir Anthony and Mrs Malaprop were the only comical freaks.

Not so: they are an ornamental bonus upon what is already a ludicrous situation, with wealthy Absolute's son and heir striving to please his rebellious *inamorata* by masquerading as a poor officer (she dreams of defiant elopement and a Gretta Green marriage), while his neurotic friend Faulkland subjects his own, eminently suitable fiancée to groundless doubt and crazy tests.

Similarly, Jonathan Web

speed (perhaps those qualities are suspect in the North, but Sheridan surely expected them). Dominic Rowan and Annabel Mullion try to play them honestly from the "inside", whereas the elaborately grammatical flights that Sheridan assigned them presuppose unabashed fluency and flair.

Similarly, Jonathan Web makes his Faulkland an ingrown, true-to-life study in adolescent self-doubts, when he ought to be sending them straight over the top; and Robin Weaver's Julia is sweetly forgiving in a role that cries out to be grieved.

**S**till, they all earn our friendly attention; and meanwhile their seniors take over. Trading upon his uncannily apt resemblance to Alan Clark (perhaps unaware, perhaps not), Britton makes Sir Anthony a benevolent old goat, mock-underplayed with faultless timing - no real threat to anybody's plans, but a constant blustering delight.

And though Miss Lipman began Mrs Malaprop with a falsetto lurch toward her every malapropism, which boded ill, she soon settled into her customary effortless charm: quizzically wry, short-fused but easily disarmed.

If Mrs Malaprop has a proper Gorgon side, we never saw it, nor anything else that would jar against Murray's view of the play as amiable comedy. For a few seconds near the end, when she realises at last that supremely eligible Jack is the guilty author of some unforgivably sarcastic letters about her, we hoped for a full-scale explosion. But it never came: she was mollified in a trice, smoothly submerged into the general bonhomie.

That was typical of this temperately engaging, biteless production.

At the Royal Exchange Theatre, Manchester, until March 23.

## Royal Festival Hall

**Royal Festival Hall**  
on the South Bank

Royal Festival Hall 1 Tel 0171 920 4200 10am-9pm

Set The BBC Symphony Orchestra: Mark Elder cond. 17 Feb BBC Symphony Chorus: Shostakovich: Opus Cap. 7 Op. No. 2; Prokofiev: 7/20 Descent: Concerto for the 20th Anniversary of the October Revolution. Choral Concerto. 22 Feb The Royal Philharmonic Orchestra: Tchaikovsky: 1812 Overture. 23 Feb Tchaikovsky: Swan Ensemble: Shostakovich: Frank Zappa: 18 Feb Music from The Yellow Submarine: Suites 6, 7 by Horner, & Deserts 8.00 by Zappa's Inspiration Sister Virtues, accompanied by a stunning projection by video 19 Feb The Royal Philharmonic Orchestra: Tchaikovsky: 21 Feb London International Orchestra: Lorin Maazel (cond.) Julian Bream (vln) 22 Feb The Royal Philharmonic Orchestra: Tchaikovsky: 23 Feb The Royal Philharmonic Orchestra: Tchaikovsky: Romeo and Juliet: Violin Concerto: 24 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 25 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 26 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 27 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 28 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 29 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 30 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 31 Feb The Royal Philharmonic Orchestra: Resident at the RHF: 1 Mar The Royal Philharmonic Orchestra: Resident at the RHF: 2 Mar The Royal Philharmonic Orchestra: Resident at the RHF: 3 Mar The Royal Philharmonic Orchestra: Resident at the RHF: 4 Mar The Royal Philharmonic Orchestra: Resident at the RHF: 5 Mar The Royal Philharmonic Orchestra: Resident at the RHF: 6 Mar The Royal Philharmonic 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## INTERNATIONAL ARTS GUIDE

**What's on in the principal cities****AMSTERDAM**

**CONCERT**  
Concertgebouw Tel: 31-20-5730573  
● Maria João Pires: the pianist performs works by J.S. Bach, Chopin and R. Schumann; 8.15pm; Feb 18  
● Pittsburgh Symphony Orchestra: with conductor Lorin Maazel perform Bartók's Concerto for Orchestra and Tchaikovsky's Symphony No.4; 8.15pm; Feb 20

**BERLIN**

**CONCERT**  
Konzerthaus Tel: 49-30-203092100/01  
● Berliner Sinfonie-Orchester: with conductor Michael Schoenwands and pianist Yoko Yokoyama perform Beethoven's Piano Concerto No.5 and Symphony No.7, and the world premiere of a new work by André Werner; 8pm; Feb 24, 25, 26  
● Orchester der Deutschen Oper Berlin: with conductor Lawrence Foster perform works by Weber, Bernstein, Enescu and Herbert; 8pm; Feb 19, 20  
● Rundfunk-Sinfonieorchester Berlin: with conductor Rafael Frühbeck de Burgos, alto Corine Kallisoff and the Rundfunkchor Berlin perform Symphony No.3 and choral works by Brahms; 8pm; Feb 22, 23  
● Philharmonie & Kammermusiksaal Tel: 49-30-2545880  
● Berliner Philharmonisches Orchester: with conductor Claudio Abbado perform Beethoven's Symphony No.7; 8pm; Feb 22, 23, 24  
● Berliner Philharmonisches Orchester: with conductor Simon Rattle and soprano Christine Schäfer and Christine Cairns perform Mahler's Symphony No.10 and excerpts from Berlioz's Béatrice et Bénédict; 11am; Feb 18  
● Jeremy Minunin: the pianist, with violinist Mi-Kyung Lee, viola-player Barbara Westphal and cellists Alexander Baillie and Frank Dodge perform works by Beethoven, Britten and Arensky; 8pm; Feb 22

**EXHIBITION**

Alte Nationalgalerie Tel: 49-30-20355500  
● Wilhelm von Bode und die zeitgenössische Kunst: an exhibition to commemorate the 150th anniversary of the birth of the former museum director and mæcenae; to Feb 25  
**OPERA**  
Deutsche Oper Berlin Tel: 49-30-3438401  
● Aida: by Verdi. Conducted by Fabio Luisi and performed by the Deutsche Oper Berlin. Soloists include Marcia Bellamy, Julia Varady, Simon Estes and Vladimir Bogachov; 7.30pm; Feb 21  
Komische Oper Tel: 49-30-202800  
● Carmen: by Bizet. Conducted by Shao-Chia Li and performed by the Komische Oper. Soloists include Schmiede, Wiedstruk, Wilson and Dobber; 7pm; Feb 18

**BONN**

**EXHIBITION**  
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200  
● Claus Oldenbourg: an Anthology: containing 200 drawings, collages and sculptures, the exhibition bears witness to the creativity of this artist, one of the leading figures of American art associated with the Pop Art movement. On display will be works from the cycles "The Street" and "The Store, Soft Objects" from the 1970s as well as models of his monumental sculptures; from Feb 23 to May 12  
**OPERA**  
Oper der Stadt Bonn Tel: 49-228-7281  
● Fidelio: by Beethoven. Conducted by Marcello Parni and performed by the Oper der Stadt Bonn. Soloists include B. Daniels, A. Hoffmann, M. Völk and A. Stankl; 7pm; Feb 24

**BOSTON**

**CONCERT**  
Boston Symphony Hall Tel: 1-617-266-1492  
● Die Jahreszeiten: by Haydn. Performed by the Boston Symphony Orchestra with conductor Marek Janowski. Soloists include soprano Ruth Liseck, tenor Christophe Prégardien and bass Alastair Miles; 8pm; Feb 22, 23, 24, 27  
**EXHIBITION**  
Museum of Fine Arts Tel: 1-617-267-9300  
● Winslow Homer: this exhibition features 180 paintings, watercolours and drawings which address every stage of the artist's career. Some themes represented in the Civil War, scenes of the 1870s and the Prout's Neck seascapes of the 1890s; from Feb 21 to May 26

**CAMBRIDGE (US)**

**EXHIBITION**  
Fogg Art Museum Tel: 1-617-495-9400  
● Shades of Significance: Tonal Values in Abstract Art: this exhibition explores the multi-faceted nature of abstraction by focusing on works created with monochromatic palettes by such artists as Josef Albers, Jasper Johns, Franz Kline, Louise Nevelson, Gerhard Richter, Mark Rothko and Aaron Siskind; to Feb 25

**CAPE TOWN**

**CONCERT**  
City Hall Tel: 27-21-4617084  
● The Cape Town Symphony Orchestra: with conductor Jorge Mester and harpist María Falcao. Perform works by Adams, Ginastera,



'Portrait of Cézanne' 1879-82 part of the new exhibition in London

Rajna and Stravinsky; 8pm; Feb 22

**MUSICAL**

Nico Theatre Complex Tel: 27-21-215470  
● West Side Story: by Bernstein. Directed and choreographed by Alan Johnson, based on the original choreography by Jerome Robbins. Performed by the Cape Philharmonic Orchestra with conductor Graham Scott. Soloists include Robert Finley, Juanita Kruger, Joe Clark, Samantha Dao, Neville Thomas and Dale Cutts; Mon 8pm, Tue-Thur 7.30pm; Fri 8pm & 9pm, Sat 8pm & 9pm; 7.30pm; to Feb 24 (Not Sun)

**COLOGNE**

**CONCERT**  
Kölner Philharmonie Tel: 49-221-2040820  
● Andrea Schiff: the pianist performs works by Bartók and Haydn; 8pm; Feb 21

**EXHIBITION**

Wallraf-Richartz-Museum Tel: 49-221-2212372  
● Vom Spiel der Farbe – Armand Guillaumin (1841-1927), Ein vergessener Impressionist:

retrospective exhibition devoted to the work of the French Impressionist Armand Guillaumin, a close friend of Pissarro and Cézanne. The display includes more than 100 paintings, 50 drawings and his graphic works; from Feb 24 to May 5

**JAZZ & BLUES**

Kölner Philharmonie Tel: 49-221-2040820  
● Kölner Musik Big Band: with conductor Jerry van Rooyen and vocalists Madeline Bell and Humphrey Campbell perform jazz music; 8pm; Feb 23

**COPENHAGEN**

**DANCE**  
Det Kongelige Teater Tel: 45-33 14 10 02

● Romeo and Juliet: a choreography by Frederick Ashton to music by Prokofiev, performed by the Royal Danish Ballet; 8pm; Feb 19, 22, 27, 28; Mar 1, 2, 3

Statens Museum for Kunst – Royal Museum of Fine Arts Tel: 45-33 91 21 26  
● Rembrandt: exhibition of works on paper by the Dutch master. The display includes the museum's collection of drawings and etchings by Rembrandt, supplemented by loans from foreign collections; from Feb 24 to May 12

**DENVER**

**EXHIBITION**  
Denver Art Museum Tel: 1-303-640-2793

● Mongolia: Legacy of Chinggis Khan: this exhibition features religious and secular art from Mongolia's national museums. The show offers a panoramic view of Mongolian art and culture from the 17th to the early 20th century; to Feb 25

**DRESDEN**

**OPERA**  
Sächsische Staatsoper Dresden Tel: 49-39-49110  
● Elektra: by R. Strauss. Conducted by Friedemann Layer and performed by the Sächsische Staatsoper Dresden. Soloists include Carla Pohl, Helga Thiede and Klaus König; 7.30pm; Feb 23, 24, 28

**DUBLIN**

**CONCERT**  
National Concert Hall – Geólyáras Náisíontá Tel: 353-1-6711533  
● National Symphony Orchestra: with conductor Kasper de Roo and organist Peter Sweeley perform Wilson's Rich Harbour and Bruckner's Symphony No.3; 8pm; Feb 23

**ESSEN**

**EXHIBITION**  
Museum Folkwang Tel: 49-201-8845314

● Deutsche Kunste in Frankreich und Deutschland um die Jahrhundertwende: exhibition which accompanies the Valoton retrospective in the same museum. All works are from the museum's permanent collection and show the influence of the Nazis on German and French artists at the turn of the century; to Feb 25

**FLORENCE**

**CONCERT**  
Teatro Comunale Tel: 39-55-211158  
● Symphony No.5: by Mahler. Performed by the Orchestra del

● Tosca: by Puccini. Conducted by Alex Ingram and performed by the English National Opera. Soloists include Janice Cairns, David Rendall and Philip Joll; 7.30pm; Feb 23

Royal Opera House – Covent Garden Tel: 44-171-2129234

● Aida: by Verdi. Conducted by Jan Latham-Koenig and performed by the Royal Opera. Soloists include Andrea Gruber, Markella Hatzianou, Sidiene Winter and Sidwell Hartman; 7.30pm; Feb 21, 24

**MADRID**

**CONCERT**  
Auditorio Nacional de Música Tel: 34-1-3370100  
● Orquesta Nacional de España: with conductor Wojciech Michniowski, violinist Domingo Tomás and clarinetist J. Tomás perform works by Arensky and Prokofiev; 7.30pm; Feb 23, 24, 25 (11.30am)

**MARSEILLE**

**OPERA**  
Opéra de Marseille Tel: 33-91 55 00 70  
● Radamisto: by Handel. Conducted by Stewart Bedford and performed by the Opéra de Marseille. Soloists include Stutzmann, Perrugiu, Pearce and Ferrari; 8.30pm; Feb 25 (2.30pm), 27, 29; Mar 2

**MILAN**

**CONCERT**  
Teatro alla Scala di Milano Tel: 39-2-72003744  
● Maurizio Pollini: the pianist performs sonatas by Beethoven; 8pm; Feb 18

**HAMBURG**

**OPERA**  
Hamburgische Staatsoper Tel: 49-40-351721  
● Tannhäuser: by Wagner. Conducted by Gerd Albrecht and performed by the Hamburg Oper. Soloists include Harald Stamm, Günther Neumann, Andreas Schmidt and Peter Gaillard; 4pm; Feb 20, 22, 24 (4pm), 25 (3.30pm), 27, 29; Mar 1

**HANOVER**

**EXHIBITION**  
Sprngel Museum Tel: 49-511-1683875  
● Marcel Brodthaers: exhibition of graphic work and illustrated books by this Belgian artist (1924-1976), who has at different times been associated with Neo-Dada and Surrealist art, as well as Pop, Installation and Conceptual art; from Feb 20 to May 5

**INDIANAPOLIS**

**CONCERT**  
Women Performing Arts Center Tel: 1-317-886-8051  
● Indianapolis Symphony Orchestra: with conductor Stanislaw Skrowaczewski and violinist Leonidas Kavakos perform Bruckner's Overture in G minor, Bruch's Violin Concerto No.2, and Dvořák's Symphony No.9 (From the New World); 8pm; Feb 23

**LAUSANNE**

**CONCERT**  
Salle du Métropole Tel: 41-21-3122707  
● Orchestre de Chambre de Lausanne: with conductor Jérôme Lopez Cobos and pianist Alicia de Larochère perform Beethoven's Piano Concerto No.2 and Symphony No.1; 8.30pm; Feb 19, 20 (8pm)

**OSLO**

**EXHIBITION**  
Kunstindustriemuseet i Oslo – Museum of Applied Arts Tel: 47-22-203578  
● Royal Glass: the exhibition presents an overview of the glass used at the Danish court. The exhibition covers the period from 1650 until today with emphasis on the engraved Baroque goblets produced at Noestetangen Glassworks in Norway for the Danish court; from Feb 24 to May 5

**LISBON**

**CONCERT**  
Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131  
● Orquestra Gulbenkian: with conductor Frans Brüggen, pianist Andreas Haefliger and violinist Max Rabinovich perform works by Beethoven; 9.30pm; Feb 22, 23 (6.30pm)

**PARIS**

**CONCERT**  
Salle Gaveau Tel: 33-1-49 53 05 07  
● Aniko Szegedi: the pianist performs works by Chopin; 8.30pm; Feb 23

● Vadim Repin and Boris Berezovsky: the violinist and pianist perform sonatas by Hindemith, Brahms, Grieg and Prokofiev; 8.30pm; Feb 21

Salle Pleyel Tel: 33-1-45 61 53 00  
● Pittsburgh Symphony Orchestra: with conductor Lorin Maazel perform Bartók's Concerto for Orchestra and Beethoven's Symphony No.3 (Eroica); 8.30pm; Feb 19, 20 (8pm)

**DANCE**

L'Opéra de Paris Bastille Tel: 33-1 44 73 13 99  
● Ballet de l'Opéra National de Paris: perform three choreographies by George Balanchine to music by Tchaikovsky: Sérénade, Pas de deux and Allegro Brillante. Anissimov conducts the Orchestre de l'Opéra National de Paris; 7.30pm; Feb 19, 22, 24, 26

**EXHIBITION**

Musée du Petit Palais Tel: 33-1 42 65 12 73  
● A l'Ombre du Vésuve: exhibition of some 80 works from the collection of the National Archaeological Museum in Naples. The exhibition is centred on three themes: the museum's historical collections, the cities Pompeii, Herculaneum and Stabiae that were wiped out by the eruption of the Vesuvius in 79AD, and the south of Italy between the 6th century BC and the 2nd century AD; to Feb 25

**OPERA**

Theatre des Champs-Elysées Tel: 33-1 49 52 50 50  
● Tosca: by Puccini. Conducted by Valery Gergiev and performed by the orchestra, choir and ballet of the Kirov Opera. Soloists include Mikhail Kit, Olga Korinskaia, Olga Markova-Mikhailenko and Yuli Marousine; 7.30pm; Feb 19, 20, 21

**WARSZAWA**

**CONCERT**  
Teatr Wielki/Opera Narodowa – Grand Theatre/National Opera Tel: 48-22-263288  
● Polish National Ballet: perform a choreography by Christopher Pastorek to Gorecki's Symphony No.3. Soloists include Ewa Słowińska and Elżbieta Kwiatkowska; 8pm; Feb 18, Mar 1 (7pm)

**WASHINGTON**

**CONCERT**  
Concert Hall Tel: 1-202-467 4600  
● National Symphony Orchestra: with conductor Esa-Pekka Salonen and violinist Thomas Zehetmair perform works by Liao, Prokofiev, Davids and Tchaikovsky; 8.30pm; Feb 22, 23, 24, 27 (7pm)

**ZURICH**

**CONCERT**  
Tonhalle Tel: 41-1-2063434  
● Tonhalle-Orchestra: with conductor David Zinman and pianist Hélène Grimaud perform works by Wagner, R. Schumann and Brahms; 7pm; Feb 21

**OPERA**

Opernhaus Zürich Tel: 41-1-266 6566  
● Fidelio: by Beethoven. Conducted by Nikolaus Harnoncourt and performed by the Oper Zürich. Soloists include Inga Nielsen and Alfred Muff; 7.30pm; Feb 21

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**CHESS**

Machines are back on the march.

Last weekend IBM Deep Blue, the world's most powerful chess computer, crushed Garry Kasparov in 37 moves in the opening round of a six-game series in Philadelphia for a \$500,000 prize fund. Kasparov has already lost to computers at blitz (five minutes per player per game) and rapid (25 minutes) chess, but grandmasters believed that the more strategic pace of slower classical chess was better for humans.

Now another cherished illusion has bitten the dust. They are playing at the classical rate of 40 moves in two hours, but last night the score was 3-2, with Kasparov's unbeaten match record in danger (IBM Deep Blue, White; G. Kasparov, Black; Sicilian).

1 e4 c5 2 c3 A shrewd choice by Deep Blue or its programmers, Kasparov has little experience against the pawn push. d5 3 exd5 Qxd5 4 d4 Nf6 5 Nf3 Bg4 6 Be2 e6 7 h3 Bh5 8 0-0 Nf



James Morgan

## The last word and the dernier cri

The French and the English are following different agendas with their native tongues

**I**t is inevitable that the French should launch another campaign to save their language while the British seek, as we saw last week, the abandonment of any concept of good English. Again one marvels at the irreconcilability of attitudes on the two sides of the Channel.

*Le Figaro* has mounted a campaign to save what it calls a "masterpiece in peril". A multi-page spread began with "The 10 threats which weigh on the French language". It lavishly illustrated the sources of the danger: a bar announcing its "Happy Hours"; a

hairdresser offering "Tresses, curly wave, shampoo, brushing"; the Renault called Next. The paper thought if "incomprehensible" that such borrowings were not given French spellings. It proposed *éteur* (leader) *jobe* (job) and *autiguide* (weekend).

And many French words are taking on alien meanings: *comfortable* and *ruiner* have been lost to Anglo-American. The cyberworld, entertainment and bad teaching wreak more damage while the weakness of the "cultural class" removes linguistic defences.

But one dissident writer, Raphaël Confiant told *Le Figaro*: "The

French language is threatened less by English than by the linguistic Jacobinism that has punished France for three centuries. We have to blame the decline on all those who struggled to *dégaconiser* the language - a policy reaffirmed and legitimised by the Revolution." And that stemmed from the attempt to abolish what Confiant called "the roots of French".

This view in Anglo-Saxon. The French language was deliberately restructured and ancient patois eliminated to reinforce national cohesion. The British have gone the other way and today make a fetish of variety. So they provide the only

national broadcasting networks that routinely permit regional dialects joint access with what might be regarded as the standard form.

The dominant view was encapsulated last weekend in a radio discussion of the current lectures defending English indiscipline. The writer Germaine Greer exulted before a radio audience in "vigor, power, suppleness" of English, stressing her delight that her first and last words on that earth would be uttered in this marvellous tongue. A monoglot audience applauded frantically.

We learn much from last words. There is the famous story of George

V, who was told on his deathbed that he should take a rest in Bognor, a Sussex resort. "Bugger Bognor," he is said to have replied, and promptly expired. I have wrestled to find a French equivalent and the best I can do is *Que Bognor aille se faire faire* which lacks the force of the English. But then power and vigour, not what French is about. Clarity, as the essayist Antoine de Rivarol remarked 200 years ago, is what matters. "If it's not clear it's not French."

French is so clear that it goes to fantastic lengths to remove any chance of ambiguity. For example *Qu'est-ce que c'est que ce chien?*

Once you have staggered through six pronouns, two verbs and a noun it is no surprise that you find a precise version of what in English is so loosely rendered as "What's that dog?"

Everyone thinks his language is best. I have been told, when trying to translate a bit of Dutch, that English is incapable of reproducing the subtlety of meaning involved. A secret policeman at a Romanian Communist party conference told me that English could in no way match the richness of his tongue. (It has a famous sonnet which begins, "Most sweet and beautiful is the language we speak.")

Each language does what its speakers want it to. The English believe theirs can do anything.

Actually it is very bad at some things. It permits Bill Clinton to open a speech with the words "My fellow Americans", but there is no equivalent for John Major. (My fellow Britons? My fellow Englishmen?) In fact English is very embarrassed about being English.

British intellectuals are delighted when its rules are broken while the French go mad at the first sign of flexibility. *L'entente cordiale, c'est une happy-hour ruine.*

■ James Morgan is economics correspondent of the BBC World Service.

**W**ith his big hands, bulky figure and open countenance, he looks like an Irish farmer. The impression is reinforced by a soft voice and a manner benign to the point of difference.

Even the Doomsday message about extinction of species that he is propagating these days sounds strangely lacking in urgency.

Can this be the bullying, arrogant Richard Leakey described by old Kenya hands? Is this the pushy palaeontologist, the ruthless hunter of elephant-poachers, the political activist denounced by Kenya's president and beaten up - though both his legs are amputated below the knee - by unknown hitmen?

It is, and it isn't.

It is often reported that the young Richard Leakey - despite leaving school at 15 without scientific qualifications - beat his own father, Louis, to the post of director of the national museums of Kenya. Not so, says Leakey junior. His father had retired as director and was on the board of trustees, recommended his son, and only disapproved of some of his subsequent innovations.

He admits he felt the competitive pressure of growing up with a famous father. Following him into palaeontology, he put together a team of excavators at Lake Turkana which built on his father's success in uncovering the bones of early hominids.

"It wasn't a question of trying to outdo him or outshine him," he said.

Then there is the longstanding rift with his look-alike brother, Philip. Philip was formerly an MP for Kenya's ruling KANU party and briefly foreign minister. Richard, a co-founder of the unrecognised opposition Safina party (it means "boat", or "ark") is trying to stitch together an alliance to challenge the corruption he sees permeating the system.

"It was between the brothers, he replied: "I feel a tremendous debt of gratitude. I wouldn't be sitting talking to you if it hadn't been for him, and how could one have a grudge on that basis?"

When Richard suffered from progressive kidney failure, due to a fault in the auto-immune system, Philip gave him one of his own in 1978. It keeps him alive. "We made a promise," he said. "Philip gave me a kidney and I will not comment about his comments. And I think I should stick to that."

If Leakey has - or had - the knack of rubbing people up the wrong way, that is nothing compared with the fury he seems to have inspired in President arap Moi.

In 1989 arap Moi appointed him head of the Kenya Wildlife Service, which Leakey regarded as one of the most



Richard Leakey: "I have absolutely no sensitivity about what happens several generations from here"

Abbie Attwod

## Private View / Christian Tyler

# The taming of an African bull

By Christian Tyler

**'Fear is not part of my make-up. I was not frightened by the kidney disease or the amputations'**

corrupt government departments in the country.

You went to work for arap Moi, I said. Why, if you thought the regime was so ridden with corruption?

"At that stage I felt one might best help by working within the system." Experience, he said, taught him otherwise. And when - according to his version - arap Moi refused to back him against powerful colleagues, he resigned and set up his own political party.

He claims the president's attacks on his reputation came as a surprise - and provided useful publicity. "My conscience is entirely clear. I certainly haven't sought personally to pull his tail. It's not him that concerns me. It's the country, the government - or the lack of it."

Do you want to be president of Kenya?

"Certainly not. I will not be president of Kenya."

When I asked Leakey what has driven him through his several colourful careers, he said: "I wish I knew."

Is it impatience? "It may have been, once. I'm not sure it is any more. I'm a very patient man now."

Why is that?

"I think I've had enough time to think things through

Sitting in bed waiting for your feet to be cut off gives you a lot of reflective time."

In 1993 the Cessna aircraft he was piloting suddenly lost power and crashed, ruining his legs. After much investigation he has decided to regard the crash as an accident.

He gave me a rundown of the mechanical possibilities and concluded: "In the absence of any factual evidence, it's just easier to treat it as an accident and not keep worrying that someone is trying to kill you."

So you're a different person now?

"I think I must be," he said.

"But whether it's a consequence of conscious effort or a consequence of middle age (he is 51), I'm not sure. It might be due to my larger girth."

A trauma such as the one you suffered could have some thing to do with it?

"It could have."

More than you realise?

"Well, people have suggested it was. I wouldn't go so far as to agree with that."

You were very gung-ho about the whole episode, I said, judging from the account I've read.

It seems to me in a situation like that you have two choices: either to get on and live openly, or to take it within yourself and feel sorry for

yourself. And that's not my nature."

Leakey is achieving something close to hero status these days. Brought to London this week to lecture on the theme of his new book\*, he was applauded by a 1,000-strong audience as if he were a returning war hero. His rating

is modest.

Were you unfairly described as arrogant before?

"Well, enough people said it so there has to have been a basis for it. I never thought of myself as an arrogant person, but many of my friends and less friendly associates made it clear they thought I was. And they can't all be wrong."

"I've never spent a great deal of time trying to find myself. I suppose I was raised with the philosophy that it's better to be honest even if it hurts than to be duplicitous to save people's feelings."

"In being honest, not tempered by diplomacy, I may have gained a reputation for being ruthless and arrogant. It doesn't particularly concern me what people think. Doing things the way I have, I've achieved what I have."

"People say I was not a team person. I was a general. But if you're trying to stop elephant poaching and control 2,000 men in uniform with guns you have to be a general."

Leakey says he has had a fulfilled and happy life. "I've always done what I wanted to do."

Have you been frightened?

"No. Fear's not a part of my make-up. I was not frightened by the kidney disease or by the amputations."

improved even further when he elegantly discounted an effusive introduction by the Oxford biologist and current media darling, Richard ("Selfish Gene") Dawkins, with the comment that he had just witnessed an example of famous British understatement.

Have you become more modest, too?

"I probably tend not to say

many of the things which gave me the reputation of being

Are you afraid for your safety in Kenya?

"No. If I was I wouldn't do what I'm doing." The harassment doesn't keep you awake at night?

"A hundred per cent now."

There is a theory that I'm very ill and that's why I'm doing these suicidal things," he said.

He laughed. "But I'm extremely well." He explained that the longer a person lives with a sibling graft, the longer they are likely to live.

He must be missing a gene for self-preservation, I said.

He laughed. "I'm sure we are all missing something."

It's self-confidence that protects you?

"Fatalism, maybe. That's the explanation I'm often given."

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Are you afraid for your safety in Kenya



# Weekend Investor

Wall Street

## The Buffett guide to doing the splits

Maggie Urry explains why the legendary US investor felt he had to change tack

If you own a Berkshire Hathaway share, you can stop reading now. Just go back to your piano, colada by the pool and turn to the How to Spend It page. If not, you could soon have the chance to invest in a stock market phenomenon.

Warren Buffett, the legendary chairman of this holding and investment company, has firm views on what sort of shareholders he wants. When he buys into a company, he thinks of himself as a partner in a business, not a speculator. And he expects his shareholders to behave the same way.

His ideal is shareholders who are well-informed about the business, have realistic expectations of where the share price is going, and intend to stick with the stock for a long time. But his problem is that expectations have been lifted by the performance of his own shares over the past 30 years.

Buffett first bought stock in the then-ailing textiles group in 1963, when the share price was \$2. He took control in 1965, buying at an average price of \$15. He does not pay dividends - profits are reinvested in the business. Nor does he believe in splitting the stock to reduce the share price.

All the available return from the investment has been concentrated in the share price. So, over the years, that \$15 share price has risen to a staggering \$33,000-plus.

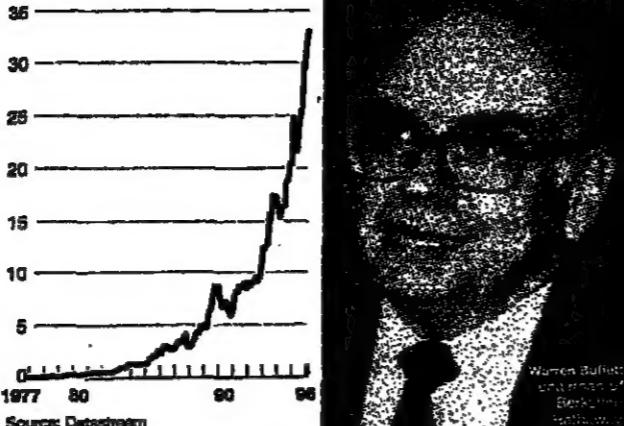
The shares trade in lots of 10, so the minimum needed to invest in the company is over \$330,000. Ordinary mortals who did not buy Berkshire shares a long time back have been unable to climb aboard the Buffett bandwagon.

Markets have a tendency to find a way round these problems. Some investment groups hit on the idea of buying Berkshire shares, putting them into a trust, and then selling units at a price that less well-off investors could afford. One such trust opened for business last month and another was in the planning stages.

That forced Buffett to act at last. He did not want these trusts to thrive. They would, after all, be profiting from the Buffett brand by charging all sorts of fees and commissions to investors. Moreover, the shareholders-by-removal would not be entitled to those other little perks of being a Berkshire investor: the right to receive the annual report, with Buffett's lengthy and fascinating

### Buffett hath a way with him

Share price \$ (000's)



ing discourses on the theory and practice of investment; and the chance to attend the annual jamboree in Nebraska.

So, this week, a reluctant Buffett proposed a "do-it-yourself" stock split. If shareholders approve the plan, they will be able to convert each of their existing shares into 30 new "B" shares. In order to get a listing for the new shares, Berkshire will make a \$100m public offering of them - something else that Berkshire has never done since he became the chairman.

Buffett did nothing to promote these shares. He said this week that "management does not believe the company's stock is undervalued". (The share price stands at more than twice the last recorded value of shareholders' equity.) Nor will he convert his own shares into the new class. But if the "B" shares trade at 1/30th of the price of the existing shares, and investors can still deal in a minimum of 10, then it will take a mere \$1,000 or so to be a Berkshire shareholder.

It is worth contrasting Berkshire's record with that of one of Buffett's favourite stocks, Coca-Cola. He is fond of using the Coke example to illustrate the power of long-term investing. Anyone who bought a \$40 share when Coke went public in 1919, and who reinvested the dividends, would now have an investment worth over \$4m. And, probably, a hefty tax liability, too.

Over the years, though, Coke has split the shares nine times. The one original \$40 share has turned into 2,304 shares, worth \$165,000. If Berkshire's price is unwieldy, think what Coke's would be without the splits. Stock splits are often taken

to mean that a company is endorsing its high share price and, usually, they result in a share price rise, even though they should be purely cosmetic. Rick Escherich, an expert on the subject at J.P. Morgan, reckons that share price gains 3 to 4 per cent on average after a split. Berkshire's share rose more than that this week, gaining around \$2,000 each.

But while Berkshire's share price is ludicrously high, there is an acceptance of large share prices in the US which is at odds with that in the UK. It could reflect different attitudes like the glass which is half full or half empty depending on the mood of the beholder. The average price of the Dow Jones Industrial Average's 30 shares is around \$63. The average of the FTSE 100 shares is a mere \$550. If a stock in the US falls below \$10, it is usually because the company is in trouble, and brokers are wary of recommending investors to buy them.

A majority of shares in the US is priced between \$20 and \$30. Above that range, companies start thinking about splitting their stock.

The bull market has increased the number of splits taking place. The trick, naturally, is to pick those \$15 or \$40 shares which will become the Berkshires and Cokes of the future. And it takes a Buffett to do that.

**Dow Jones Ind Average**

Day	Price	Change	52 week High	52 week Low
Monday	5600.15	+56.53	5781.3	5277.0
Tuesday	5601.23	+1.05	5699.9	5300.0
Wednesday	5579.55	-21.65	5698.0	5300.0
Thursday	5551.37	-28.18	5698.0	5300.0
Friday	5528.00	+128	5628.0	5365.0

Stock splits are often taken

London

## All aboard the roller-coaster

Philip Coggan watches a week of ups and downs

Welcome to Optimists' World, the new theme park being built in the heart of the City to provide entertainment for the mass of investors.

Forget those worries about corporate earnings. Enjoy a hectic ride on our Takeover Express, taking you swiftly up the soaring slopes of managers' promises until you reach the Bid Document Pantomime ("Oh yes, you did" - "Oh no, we didn't"). Marvel at the Hall of Economic Mirrors where one minute the economy looks healthy, the next anorexic, and everything gets distorted.

If Time Warner and MAI are looking for ideas for their new theme park in Hillingdon, they need look no further than this week's stock market performance.

Having sunk 1.7 per cent during the previous week, the FTSE 100 index managed to recover and on Friday morning recorded a new intra-day all-time high of 3,751.6. The

market offers ideas to MAI and Time Warner

second tier Mid-250 index managed to chalk up some new closing highs, finally beating its February 1994 peak.

While London had seemed previously to lag behind Wall Street, this week it managed to display strength despite two days of 20-point-plus falls in the Dow Jones Industrial Average. It was a case of third time unlucky yesterday, however, as sharp early falls in the Dow

Footsie sent markets into a flurry of speculative enthusiasm in the media sector, which was enlivened last week by the MAI/United News & Media merger.

Then there was the matter of

Rentokil, the environmental services group, which

announced first that it was seeking a merger with BET,

which provides business services, and then that it was

making a hostile bid. BET's

share price rocketed; its 23 per

cent rise on Thursday made it

the best performer in the

FTSE Mid-250 index on the

day.

Finally, UniChem continued

the takeover battle for Lloyds

Chemists with an offer that

topped a rival bid from the

German group Gehe.

On top of the takeover

excitement, there were three

bits of good inflation news. On

Monday, figures showed that

factory gate prices were static

between December and January,

the first month without an increase for almost two years.

The annual rise in manufac-



The market offers ideas to MAI and Time Warner

ers' costs - input prices, in the jargon - has slowed to 4 per cent now from 12 per cent early in 1995.

Then, on Wednesday, the

Bank of England's quarterly

inflation report said it was "a

little more likely than not that

inflation will be somewhat

below 2.5 per cent in two years' time". The Bank also admitted that the last two quarter-point cuts in base rates had been justified. Mervyn King, the Bank's chief economist, made a point of saying the report was not a "green light" for further cuts but it would be a surprise if chancellor Kenneth Clarke did not seal another quarter-point reduction next month.

Then came Thursday's retail

price figures showing the head-

line rate falling to 2.9 per cent

in January from 3.2 per cent in

December, and the underlying

rate (which excludes mortgage interest) dropping to 2.6 per cent. Adam Cole, UK economist at James Capel, says:

"With goods' price-inflation

all but non-existent, the pros-

pects for inflation through the

course of this year and next

are excellent."

Further cheer for most individuals and the government came with a 29,300 fall in unemployment in January, a drop which appeared to belie recent indications of economic weakness. The figures need to be treated with some caution, though - unemployment actually increased by 82,000 in January, and it was only the process of seasonal adjustment that turned that into a fall.

The financial markets are

notoriously unscrupulous, how-

ever, and cannot always be

relied on to greet news of fall-

ing unemployment with joy

(they worry that it might lead

to higher inflation in the

medium term). But, in this

case, a drop in the number of

jobless is good news for the

Conservative government,

which the markets would like

to win the next election.

The markets also took cheer

from the findings of the Scott

report on the arms to Iraq

affair. This failed to produce

the "smoking gun" that might

provoke immediate ministerial

resignations.

**T**akeovers aside, the

mood of the corporate

sector was distinctly

mixed. Shell Trans-

port, the oil giant,

produced what one analyst

described as "appealing fourth-quarter figures", albeit accompa-

nied by a bigger-than-expec-

ted dividend; and supermarket

group Argyl said that margins

were under pressure.

But numbers from Reuters

and Lloyds TSB were in line

with, or better than, forecasts;

and the dividend index, this

column's indicator of corporate

sentiment, went back above 50

per cent for the first time since

January 5.

Given that analysts are

predicting only modest gains

for the overall market this year

(\$2,000 for December 31 is prob-

ably the mean forecast), and that

could be reached next year

stock-picking is going to be

extremely important.

Just as, during last year,

investors were hit if they failed

to buy the takeover candidates,

this year they could be tripped

up by failing to spot the com-

panies which can produce

earnings growth despite the

slowing economy.

Barry Riley

## There's profit in stagnation

Companies are making money by growing smaller slowly